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G-7 and the Dollar: 'No Fire to Be Extinguished'

U.S. Deficit Action to Be Stressed

By Reginald Dale
International Herald Tribune

WASHINGTON — Finance ministers from the seven leading industrialized nations see little need for major new action to stabilize exchange rates or correct the course of the world economy, despite the recent strong rise in the dollar, according to U.S. and European officials.

The ministers gathered in Washington Thursday night for their first review of international currency and economic developments since President George Bush took office last month.

Although West German authorities have shown concern over the recent weakening of the Deutsche mark against the dollar, a senior European official said, "there is no fire to be extinguished" by the ministers, who were due to continue their talks on Friday.

U.S. officials stressed that the timing of the Group of Seven meeting, suggested by France and West Germany several weeks ago, had nothing to do with the dollar's rise.

The meeting "was not governed or set up for any recent or present exchange-rate developments," David C. Mulford, U.S. undersecretary of the Treasury for international affairs, said earlier this week.

A number of European officials said the dollar was still at "about the right level," despite significant fluctuations over the past year. The dollar's present rate against the mark is almost the same as when the Group of Seven countries — the United States, Japan, West Germany, France, Britain, Italy and Canada — first decided to stabilize the U.S. currency in the so-called Louvre Accord of February, 1987, they said.

Since then, the dollar has depreciated against the yen, the officials said, adding that that was appropriate in view of the enormous U.S. trade deficit with Japan.

The dollar is trading around 1.87 DM and 130 yen.

Despite only partial success of recent central bank intervention to stem the dollar's rise, these officials said that no change was required in the Group of Seven's intervention policies. Recent intervention has been "limited," they said, and the levels are unlikely to increase significantly in the months ahead.

Provided the new U.S. administration shows determination to attack the federal budget deficit, the dollar could even appreciate further, the officials added. Even if the dollar does not rise much more, such a commitment by the United States would at least dispel concern that the currency might significantly weaken in the months ahead.

U.S. officials said Treasury Secretary Nicholas F. Brady would reiterate to the other ministers that the new administration recognized its first priority was to reduce the budget deficit.

Mr. Mulford said the decision to hold talks in Washington during the new administration's first few weeks in office "underlines the importance we attach to the economic policy-coordination process and

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Charles Tasnadi/The Associated Press

Nicholas F. Brady has laid careful plans for his leadership of the Group of Seven.

For Brady, Time to Shine Quietly

By Peter T. Kilborn
New York Times Service

WASHINGTON — For all his credentials — his long friendship with President George Bush, his former days as a top Wall Street investment banker and his stint as a U.S. senator — Nicholas F. Brady seems to be off to a rocky start as secretary of the Treasury.

In the five months he has held the job, the 58-year-old multimillionaire has been criticized for brusquely dismissing a Japanese plan to defuse the Latin debt problem; for confusing the currency markets with statements about the dollar; and, most recently, for floating an idea to solve the savings and loan crisis that was seen as a violation of Mr. Bush's pledge against new taxes.

But now Mr. Brady can distance himself from these episodes as he becomes host of a meeting of finance ministers of the United States and its most powerful allies, known as the Group of Seven.

And for this meeting, he has laid careful plans to make sure there are no more potshots from critics.

In part to keep disputes from escaping a private dinner of the ministers Thursday night and discussions in Mr. Brady's conference room on Friday, he hopes to complete the affair without even issuing the usual communiqué.

Officials of some of the other countries represented — West Germany, Japan, France, Britain, Italy and Canada — say, however, that they expect their ministers to try to wrest one out of him anyway.

> **'He's more centrist than free marketeer. I think he thinks there's a place for law and order.'**
> **John H. Gutfreund**
> **Chairman, Salomon Brothers**

Indeed, Mr. Brady's low-visibility strategy for the meeting illustrates how much the style of the Treasury has changed since he took over. President Ronald Reagan appointed him in September to the job at Mr. Bush's behest.

Mr. Brady, by all accounts, abhors the limelight in which his predecessor, James A. Baker 3d, now the secretary of state, basked.

He is a former chairman of Dillon, Read & Co. who filled the unexpired term of a U.S. senator in 1982. A graduate of Yale and the Harvard Business School, Mr. Brady also directed the well-regarded analysis of the October 1987 stock market collapse.

He faces rising demands that the administration do more to help reduce the burden of the world's debt-ridden developing countries and is said by aides to be concerned about whether the slow rise of the dollar recently could cause trouble for the U.S. economy.

Mr. Brady has also placed high among his priorities the herculean task of reorienting U.S. industry's focus from short-term to long-term results.

He is regarded warily by Reagan partisans because, like several other top Bush officials, he seems to rely less on ideology in making policy and more on whatever works.

"He's more centrist than free marke-

See BRADY, Page 15

Bush and Takeshita Pledge Cooperation

By Don Oberdorfer
Washington Post Service

WASHINGTON — President George Bush, declaring that "we need one another," renewed the relationship between the United States and Japan on Thursday in a two-and-a-half-hour meeting with Prime Minister Noboru Takeshita.

The meeting, the first official visit by a foreign leader to the White House in the Bush administration, produced declarations on both sides of intensified policy coordination in economic, military and political fields.

It was "a new start for U.S.-Japan cooperation," Mr. Takeshita said in a statement as he left the White House.

The U.S. assistant secretary of state, Gaston A. Sigur, briefing reporters, said that there was little or no discussion of specific issues between the leaders of the world's two largest free-market countries.

But he said that Mr. Bush and Mr. Takeshita had "established a personal relationship" on a first-name basis.

An earlier meeting between the U.S. secretary of state, James A. Baker 3d, and the Japanese foreign minister, Sosuke Uno, included discussion of the plan to build a new Japanese fighter plane, the FSX, with cooperation between the aircraft and arms industries of the two nations.

Mr. Baker told Mr. Uno that the United States was making a new study of the recently negotiated deal.

Mr. Bush, both in his private and public remarks, went out of his way to emphasize the importance of the relationship with Japan.

"We respect one another, we need one another," he said.

Mr. Bush also emphasized the U.S. intention to continue to shoulder the responsibilities of "a global power." He told Mr. Takeshita, according to aides, that "we are not pulling back" from U.S. responsibilities in the world.

Mr. Takeshita said in his public remarks, "No nation can substitute for the United States as the leader of free nations around the world."

Mr. Bush noted progress in achieving a better balance between the two countries' economies and opening markets, but added: "We also recognize the importance of continued policy efforts in these areas."

This was a reference to Washington's desire that Japan do more to reduce a huge trade imbalance with the United States.

Mr. Takeshita promised to continue to stimulate domestic demand in Japan. That would lead to greater foreign imports.

"I appland Japan's pledge to make further significant increases in overseas development assistance programs," Mr. Bush said, referring to a five-year, $50 billion aid plan that would make Japan the world's biggest foreign aid donor next year.

■ Aides Discuss Trade

In his meeting with Mr. Takeshita, Mr. Baker called on Japan to continue its efforts to rectify its trade imbalance with the United States and to increase foreign aid, Reuters, quoting Japanese officials, reported from Washington.

The officials quoted Mr. Baker as saying the trade picture had improved but that the imbalance remained large.

The U.S. Congress is likely to continue its pressure on Japan for further action to reduce its trade surplus with the United States, Mr. Baker told Mr. Uno, according to the officials.

Mr. Uno said Japan and the United States should work together to ensure continued improvement in trade relations.

Japanese officials said the two nations agreed to further strengthen "policy coordination and joint endeavor" in such areas as macroeconomics, promotion of free trade and the Third World debt problem.

Mr. Baker said the adjustments in currency exchange rates in the

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Najib Defiant On Rebels

As Soviets Leave, Leader in Kabul Demands a Role

By Richard M. Weintraub
Washington Post Service

KABUL — The Afghan leader, Major General Najib, defiantly rejected demands Thursday by guerrilla leaders in Pakistan that he and his Communist government be excluded from any future government in Kabul.

"No one can ignore the existence of the People's Democratic Party as a major power in Afghanistan and it cannot be excluded," General Najib said at a two-hour press conference.

The Communist Party is known as the People's Democratic Party of Afghanistan.

As he spoke, a convoy of several hundred Soviet vehicles began making its way north from the Afghan capital toward the Soviet border, putting the Soviet withdrawal from the Kabul area into its final phase.

In western Afghanistan, the last Soviet units pulled out of the huge air base at Shindand, according to diplomatic and Soviet sources.

Other Soviet convoys are expected to leave Kabul over the next several days and other troops are likely to leave by air.

All Soviet forces are to be out of Afghanistan by Feb. 15 under the Geneva accords reached last April. Moscow is expected to meet or beat the deadline, despite cold and snowy weather that is making movement north along the Salang highway north to the Soviet border more difficult.

While the Red Army was departing, Soviet diplomats appeared to be preparing for a final push for a political settlement of the conflict. The war has left more than a million Afghans dead during a decade of conflict and an estimated seven million in exile in Pakistan and Iran or displaced internally.

The Soviet foreign minister, Eduard A. Shevardnadze, was to arrive in Islamabad, Pakistan, on Friday for talks connected with the war. The Soviet special envoy, Yuli M. Vorontsov, who also is his country's ambassador to Afghanistan, was to go to Tehran on Friday after an unexpected trip to Moscow earlier this week.

The diplomatic moves come as foes of the Communist government are trying to coordinate a *shura*, or traditional decision-making body, to select an interim governing arrangement to take over the country.

The shura is supposed to start deliberations by Feb. 10 and the seven-party Afghan Alliance, which is based in Peshawar, Pakistan, so far has given no indication that it would even consider any role for the Moscow-backed government in Kabul.

Instead, there is some consideration being given to including so-called "good Moslems" from Kabul — people who are part of the governing elite but who are not identified closely with the regime.

General Najib ridiculed that idea on Thursday, saying, "Any attempt to exclude the PDPA will be in vain."

He added: "They say 'good Moslems' can take part. This is childish and baseless and has no political chance. It is a dead end."

He also said the shura itself was unrepresentative and would not be recognized by all Afghans.

"The basic practice," General Najib said, "is that all warring sides should be ensured a voice. The shura by the opposition fails to get the broadest representation to ensure legitimization. A fully representative shura will be supported by us."

Just as the Afghans based in Peshawar and most mujahidin, as the guerrillas are called, bitterly oppose the Kabul government, General Najib showed total disregard for the actions of the parties in Peshawar.

In areas of Kunar Province where the guerrillas have estab-

See AFGHAN, Page 2

Bush Approves Foreign Policy Overhaul

By Bernard Weinraub
New York Times Service

WASHINGTON — President George Bush has approved a revamping of the foreign policy machinery under which the White House national security adviser and his staff will be at the center of decision-making, administration officials say.

Under plans endorsed by Mr. Bush, the national security adviser, Brent Scowcroft, and his deputy, Robert M. Gates, would serve as chairmen of the top two government panels involving senior national security officials, including Secretary of State James A. Baker 3d, and the designated defense secretary, John G. Tower.

Administration officials said that Mr. Baker and other key officials had agreed to the overhaul of National Security Council operations and that the restructuring should not be interpreted as a diminishing of Mr. Baker's importance in foreign policy.

Mr. Baker, the former Treasury secretary and a close friend of Mr. Bush, has a virtually open door to the Oval Office, officials said.

The new arrangement would appear to enhance the role of the National Security Council staff. The council was frequently overshadowed by the State and Defense Departments in the Reagan years.

Aides to Mr. Baker said that the new secretary of state planned to focus his energies on several key areas, including East-West relations, the Middle East and possibly Latin America. The aides said that Mr. Baker was content to leave other matters to the leadership of the National Security Council.

At the heart of the restructuring are proposals by Mr. Scowcroft and Mr. Gates, and endorsed by Mr. Bush, to wipe away the plethora of senior interagency groups set up in the Reagan administration to

See POLICY, Page 2

A First Test for Baker: Tough Stance at the UN

By Thomas L. Friedman
New York Times Service

WASHINGTON — On his first day of work last week, Secretary of State James A. Baker 3d found himself faced with conflicting advice from within the State Department on how to vote on a draft United Nations statement slightly critical of Israel.

Administration officials say the new secretary decided on a firm stand against the proposed document, prompting its sponsors, Palestinians and nonaligned nations, to withdraw it for now.

While the officials cautioned against reading too much into the Baker decision, which had the approval of President George Bush, they noted that it seemed to indicate certain basic attitudes that will guide the new administration in its approach to the United Nations and to the Arab-Israeli conflict.

The proposed Security Council statement was viewed by the State Department as a test inspired by the Palestine Liberation Organization.

They said the PLO wanted to see whether, in light of the contacts with Washington begun in December, the Bush administration would support a declaration that was harshly critical of Israel's treatment of Palestinian demonstrators in the occupied territories while failing to call for restraint by Palestinians.

"Bush and Baker were sending out two messages," a senior State Department official said. "They were telling the PLO not to have any illusions that there has been a dramatic shift in America's ap-

See MIDEAST, Page 2

Senate Panel Postpones Tower Vote

The Associated Press

WASHINGTON — The chairman of the Senate Armed Services Committee said Thursday that the panel had postponed an expected vote on the nomination of John G. Tower to be defense secretary, and another senator said meetings with the FBI were planned to review additional information.

Mr. Tower, a onetime chairman of the committee, had appeared headed for confirmation after telling his former colleagues on Wednesday that he had no drinking problem and that he would not be swayed by past business ties with military contractors.

But the chairman, Senator Sam Nunn, Democrat of Georgia, announced that the panel would not vote Thursday on Mr. Tower's nomination.

"The file is still not complete, and there are members now who have made a request to review certain items in the files, so we will not be voting today," Mr. Nunn said. "This is a joint decision between Senator Warner and myself. We will announce as soon as we are able to as to the definite date of the vote."

The committee's ranking Republican, Senator John W. Warner of Virginia, said he and Mr. Nunn would be meeting with the Federal Bureau of Investigation on the additional information.

The nature of the information to be checked on Mr. Tower — personal or professional — could not be learned. But Mr. Nunn indicated the information was more specific than the "hearsay" about Mr. Tower's personal conduct made public before the panel earlier this week.

Mr. Nunn, speaking in general terms about how the committee responds to allegations about nominees, said the panel dismissed calls without specific information, "but allegations that come in when people give names, times, places and so forth have to be checked."

In his testimony on Wednesday, the fourth and last day of hearings, Mr. Tower rebutted allegations made Tuesday by a campaigner for conservative causes, Paul Weyrich, that he had "on a number of occasions" seen Mr. Tower publicly ine-

See TOWER, Page 2

Mike Marucci/Reuters

Mr. Bush and Mr. Takeshita discussing where to stand for a White House ceremony Thursday.

Kiosk

Ulster Parties Talked Secretly

LONDON (Reuters) — Roman Catholic and Protestant political parties in Northern Ireland have held secret talks in West Germany to try to end fighting in the British province, the BBC said Thursday.

Television news said four politicians representing the major parties met near Duisberg on Oct. 14 and 15. It said the initiative was followed by secret meetings in Northern Ireland aimed at setting up a new constitutional structure.

General News

President Botha, recovering from a stroke, resigned Thursday as leader of the National Party in South Africa. Page 2.

Sports

Tamara McKinney of the United States won the World Alpine Ski Championships' first title Thursday. Page 16.

Weekend

The art of photography effectively began 150 years ago and the anniversary shows are starting. Page 7.

Business/Finance

Britain cleared the way for a hostile bid for Consolidated Gold Fields. Page 11.

Weather Page 2
Crossword Page 8

Dow Close	The Dollar in New York	
Down 4.46	DM	1.8775
	Pound	1.745
	Yen	129.575
	FF	6.388

Nicolae Asimi

A Hogwash Sampler

On Groundhog Day in the United States, Americans grant themselves another opportunity to let popular tradition overtake common sense. So on Thursday, the 102d Groundhog Day, Punxsutawney Phil in Punxsutawney, Pennsylvania, emerged from his burrow and saw his shadow, an omen of six more weeks of winter. If the day is cloudy, and thus no shadow, that is taken as a harbinger of early spring. Punxsutawney Phil has "never been wrong," said Bill Null, secretary of the Punxsutawney Groundhog Club. "Of course, we wouldn't admit that he was wrong any time." But Punxsutawney Phil has competition, and they all say he is wrong. These include:

Concord Charlie	Concord, West Virginia
French Creek Freddy	French Creek, West Virginia
Buckeye Chuck	Marion, Ohio
Rowdy	Indianapolis, Indiana
Jimmy the Groundhog	Sun Prairie, Wisconsin
General Lee	Lilburn, Georgia
Deadly Dan	Ashland, Ohio
Nigel the quahog*	Newport, Rhode Island

** A clam imitator in red stocking cap and striped slippers at the Gateway Visitors Center in an antique Rolls-Royce.*

U.S. Study Questions 'Ritual' Physicals

By Malcolm W. Browne
New York Times Service

NEW YORK — Many of the routine procedures doctors use on healthy adults undergoing periodic physical examinations are virtually useless, according to an analysis of medical studies reported this week.

Much of the touching, probing, thumping and listening so familiar in those examinations serve little purpose except to reassure patients, the report said.

The analysis, based on a statistical study of clinical reports from many institutions, was published in the Feb. 1 issue of the journal Annals of Internal Medicine.

The report concluded that simple physical examinations intended to screen patients for the onset of glaucoma, several types of heart disease, lung cancer, liver disease, ovarian cancer in women and prostate cancer in men, and other diseases have not been shown to be effective.

The authors considered only the kinds of physical examination typically performed by doctors of internal medicine and not such specialized tests as electrocardiograms to detect heart malfunctions, endoscopy to detect cancer of the colon, or most laboratory tests.

The study was commissioned by the Blue Cross and Blue Shield Association, a commercial health insurance company. One of the doctors who conducted the study denied that the interest of the insurance industry in reducing health costs had been a factor in the study.

The authors included some cautionary exceptions to their over-all conclusions.

Frequent periodic physical examinations should continue for healthy adults known to face unusual risks. For example, they said, any adult with 12 or more large moles should be examined regularly for signs of melanoma, a frequently fatal form of skin cancer.

For patients known to be alcoholic but otherwise healthy, periodic liver examinations were urged.

The study did not analyze the value of physical examinations as tools for educating patients or building rapport between doctors and patients, although the authors stressed that "examining a patient conveys a special sense of caring."

Dr. Edward J. Huth, editor of the Annals of Internal Medicine, which is published by the American College of Physicians, said, "It's hard to say how much criticism the report will draw, or how vulnerable this unorthodox position might be."

The authors not only cast doubt on the value of the "ritual" checkup for healthy adults, but also questioned procedures many

See PHYSICAL, Page 2

Still More Ventures Planned for Koreas

By Susan Chira
New York Times Service

SEOUL — The founder of the Hyundai industrial group, Chung Ju Yung, announced his plans for several more joint ventures between North and South Korea after he returned home Thursday from a 10-day visit to North Korea.

The day after announcing the first business project between the two longtime antagonists, Mr. Chung said he had agreed in principle with the North to jointly develop the far eastern region of Siberia and to construct a shipyard and railroad-car plant in the North Korean city of Wonsan that would export products to the Soviet Union.

Mr. Chung stunned the nation on Wednesday by announcing he had agreed with Choe Su Gil, whom he identified as North Korea's chief economic policymaker as well as president of the Daesong Bank, to create a tourist resort on the eastern cost of North Korea. The resort will be situated near Mt. Kumsang, he said.

The South Korean government issued a statement Thursday welcoming the news of expanded economic cooperation. The government, which has been trying to improve relations with North Korea, had given Mr. Chung permission to explore business contacts with the North.

"The government in principle takes a favorable view of the proposed projects, regarding them as possible pilot projects that could contribute to efforts to achieve national unification," said the statement, issued by an unnamed senior official.

But government officials also expressed concern about North Korea's motives in agreeing to the projects.

"His visit was a breakthrough," said Kim Suk Kyu, assistant foreign minister for political affairs. "With this we can say, North Korea is also changing. They've come to the point where they need our cooperation. But they haven't changed their political stance at all."

Mr. Kim said the North hoped economic ties would lull South Koreans into relaxing security measures and questioning the need for American troops on Korean soil. Yet he said the South also stood to gain because such joint ventures would open up one of the world's most isolated nations and demonstrate South Korea's economic strength to North Koreans.

[North Korea, reacting angrily to new diplomatic ties between Hungary and South Korea, has recalled its ambassador to Budapest and will downgrade diplomatic relations with Budapest to the chargé d'affaires level, Reuters reported from Tokyo quoting the Korean Central News Agency.

[A North Korean Foreign Ministry note to Budapest noted the "very unpleasant news that Hungary finally established diplomatic relations with South Korea in defiance of our advice." The news agency said the note demanded that Hungary take corresponding steps, including the recall of its ambassador from Pyongyang. In Budapest, the Hungarian Foreign Ministry had no immediate comment.

[Pyongyang's decision was announced a day after Hungary became the first Communist country to establish full diplomatic relations with South Korea.]

Government officials said that Mr. Chung had carried no messages from South Korean leaders to the North and had not conducted any political negotiations.

They also emphasized that they must approve all agreements with the North, in an apparent reminder to the strong-willed Mr. Chung and other South Korean businessmen that they could not get too far ahead of their government in pursuing business plans with the North.

Because South Korea considers the North part of the same country, Mr. Kim said, no duties are charged on North Korean imports and the South might consider forgoing the kind of formal agreements or guarantees on investments that apply for international joint ventures.

Mr. Chung said that the North Koreans indicated that the Mt. Kumsang resort would be open to South Korean tourists, who might be able to travel there directly from South Korea through the Demilitarized Zone. Tourists would have to obtain the prior approval of both governments.

Dominique Dudouble/Reuters

2,000 Soviet Scientists Join Sakharov in Protest Rally

At an unprecedented rally Thursday outside the Soviet Academy of Sciences, 2,000 scientists joined Andrei D. Sakharov, the physicist and human rights campaigner, to protest his exclusion from the elite academy's list of candidates for the new Soviet legislature. A poster demands that Mr. Sakharov and two prominent colleagues, Roald Z. Sagdeyev and Dmitri S. Likhachev, be elected.

In Beijing, the Focus Is on Cambodia

By Daniel Southerland
Washington Post Service

BEIJING — The foreign ministers of China and the Soviet Union reported progress Thursday as they opened talks and focused on efforts to resolve the 10-year conflict in Cambodia.

The talks between Qian Qichen and Eduard A. Shevardnadze are expected to produce agreement on the date for a Chinese-Soviet summit meeting sometime this spring — the first such meeting in 30 years between the world's two largest Communist nations.

A Chinese Foreign Ministry spokesman, Li Zhaoxing, said that a specific date for the meeting was not discussed at the meeting Thursday morning.

In a toast at a banquet later, Mr. Qian said that the two sides had achieved a broad consensus of views on Cambodia. Mr. Shevardnadze in his toast hailed the recent opening of talks between China and Vietnam concerning Cambodia, which he said contributed to resolving the Cambodian conflict.

But diplomats said that the Soviets believed they had gone as far as they could in exerting pressure on Vietnam to end its occupation of Cambodia. They said that China was continuing to press the Soviets to do more to influence the shape of a transitional government in Cambodia.

The Soviets say that this is an "internal matter" which must be left up to the warring factions in Cambodia to resolve.

A Chinese Foreign Ministry spokesman said that the talks Thursday were held in a "friendly, frank, and truth-seeking" atmosphere. In diplomatic parlance, the word frank indicates disagreement.

China has insisted that the Vietnam-backed Phnom Penh government be dismantled as part of a peace settlement and that an all-party coalition government replace it. The Chinese say that the Soviets should be able to pressure the Vietnamese to bring this about.

But a Chinese analyst said Thursday that "a big difference" remained between China and the Soviet Union over this issue.

■ Lilley Chosen as Envoy

President George Bush, filling a key overseas post, has decided to nominate a former CIA officer as ambassador to China, sources in Washington told the Los Angeles Times.

The choice is James R. Lilley, a career intelligence officer who served as CIA station chief in China when Mr. Bush headed the U.S. liaison office there in 1974-75.

Mr. Lilley, 60, was born in China, the son of an American oilman working there. He has served on the National Security Council staff, as head of the unofficial U.S. office in Taiwan, as a deputy assistant secretary of state for East Asia and as ambassador to South Korea.

Botha Quits Party Post But Stays On As President

By Christopher S. Wren
New York Times Service

CAPE TOWN — President Pieter W. Botha abruptly resigned Thursday as leader of the National Party, which has governed South Africa for 40 years.

But Mr. Botha, 73, made it clear that he would stay on as president. He is recovering from a stroke on Jan. 19.

At party caucus Thursday, the minister for national education, Frederik W. de Klerk, was elected to succeed Mr. Botha as party leader.

Mr. de Klerk, 52, is National Party leader of Transvaal Province and chairman of the Minister's Council in the white legislature.

Mr. de Klerk's election as party leader positions him as the likely front-runner when Mr. Botha leaves the presidency, and decreases the likelihood of a succession struggle.

By quitting his party post, Mr. Botha said in his letter of resignation, he hoped to elevate the presidency above partisan politics and make it "a unifying force in South Africa." He retains all the powers of head of state, compensating for his loss of political clout.

His decision, coming on the eve of the 1989 session of Parliament, took everyone by surprise, including the National Party caucus, and injected a note of uncertainty on South Africa's political future.

In particular, it encouraged speculation that Mr. Botha, because of his ill health, might retire as president later this year.

A statement issued Thursday by the presidency said that Mr. Botha had been advised to rest for another month.

The implications of the developments of Thursday for the policy of apartheid are still unclear.

The National Party introduced the legal concept of apartheid to South Africa, and Mr. de Klerk described himself Thursday as "basically a team man".

As minister of national education, he tried to suppress protests against apartheid on university campuses by threatening to withhold the government's financial assistance.

Consequently, Mr. de Klerk looks unlikely to move ahead of the National Party in its cautious agenda for gradual change that would not jeopardize the interests of the country's white minority.

WORLD BRIEFS

Marcos Said to Take Turn for Worse

HONOLULU (AP) — Ferdinand E. Marcos, who underwent an emergency tracheotomy on Wednesday, has been placed on a respirator and has taken a "definite turn for the worse," a hospital official said Thursday.

Mr. Marcos, 71, the deposed Philippine president, was in critical but stable condition, an official at St. Francis Medical Center said.

Earlier Thursday, the Philippine vice president, Salvador H. Laurel, left for Hawaii to meet with Mr. Marcos, whom he described as a dying man. Mr. Laurel said he would relay messages to President Corazon C. Aquino. But Mrs. Aquino immediately disowned the mission, saying that Mr. Laurel, who broke with her last year, was "leader of the opposition," although he is still her constitutional successor.

Bitter Cold Ends Balmy U.S. Winter

CHICAGO (AP) — A blast of cold air out of Alaska brought snowstorms and plunging temperatures to the West and Midwest, triggering hundreds of traffic accidents and closing schools, and threatened to end the East's record warm spell Thursday.

"Today was it. It will get seasonal," a National Weather Service meteorologist, Bill Scura, said in Pomona, New Jersey, where a balmy reading of 69 degrees was one of 51 high-temperature records broken or tied in the East and South on Wednesday.

Farther west, cold air blowing from Alaska took weather from one extreme to the other within 24 hours. In Casper, Wyoming, it was minus 23 Fahrenheit (minus 30 centigrade) Thursday, a record low for the date. In Montana, a state of emergency was declared as cold and high winds produced dangerous conditions. Snow closed schools in Washington, Oregon and Idaho on Wednesday, and low temperatures shut them in Montana on Thursday and in North Dakota through Friday. Some schools in Indiana and Michigan were closed because of freezing rain.

U.S. Flies Soviet Children to Hospital

WASHINGTON (Reuters) — Five children critically injured in the earthquake in Soviet Armenia were airlifted to a U.S. military hospital in West Germany on Thursday by an American military plane, the State Department said.

A spokesman, Charles Redman, said that the U.S. effort, in which another 30 children will be flown out of the Soviet Union next week, was the first of its kind since World War II. He said that the children, who had lost limbs and were critically ill after the Dec. 7 earthquake, needed specialized care. They are aged two to 17.

The airlift was a joint project of the U.S. government, Soviet and West German authorities, and Project Hope, an international health organization. The children will stay at the U.S. military hospital in Weisbaden until their condition has stabilized. After that, Project Hope will place them in hospitals throughout the United States.

U.S. Team on Way to Antarctic Spill

SANTIAGO (AP) — U.S. experts with 52 tons of equipment arrived Thursday in Chile on their way to Antarctica to clean up a fuel-oil spill from a half-sunk Argentine ship that some scientists say threatens an ecological disaster in the region.

A U.S. Air Force C-5 cargo plane carrying the gear and experts landed in Punta Arenas, on the Strait of Magellan, the official news agency Orbe reported. The team was not expected to reach the site, 950 kilometers (600 miles) south of the tip of South America, until Sunday or Monday.

A National Science Foundation official in Washington said an observer at the spill reported "a fine film of diesel oil covering most of the region." He said the spill extended "four to five miles from the vessel."

EC Rules France Must Pay Briton

LUXEMBOURG (AP) — France is violating European Community law by denying EC nationals who are victims of crimes committed in France the same damages as French citizens, the European Court of Justice ruled Thursday. The court said France is violating the EC's founding treaty, which bans "any discrimination on the grounds of nationality."

The court ruled in a case brought by Ian Cowan, a British national who was mugged outside a Paris Métro station in June 1982 while on a visit. Mr. Cowan suffered a serious back injury in the attack.

He sued the French government for damages of 36,154 francs ($5,671) to compensate for, among other matters, temporary inability to work. A French court denied his request, saying that France only grants such compensation to its own nationals or to foreigners with residency permits or whose government has a reciprocal treaty for such compensation cases with France. Britain has no such a treaty with France.

For the Record

The Warsaw Pact countries named a new commander in chief Thursday, Soviet General Pyotr G. Lushev, replacing Marshal Viktor G. Kulikov, Tass reported in Moscow. *(UPI)*

Israeli troops fatally wounded a Palestinian youth Thursday when they opened fire on a group of stone-throwers in the occupied West Bank village of Fahmeh, an Israeli military spokesman said. Five other Palestinians were wounded in clashes with troops during the day. *(Reuters)*

TRAVEL UPDATE

Need Gasoline? Fill 'er Up in Caracas

DETROIT (UPI) — Drivers seeking a real bargain at the gasoline pump will find it in Caracas, where gasoline costs 14 cents a gallon (less than 4 cents a liter), a Wisconsin transportation consultant, Runzheimer International, has found in its latest survey of fuel costs around the world.

The world's most expensive place to fill up is in Abidjan, Ivory Coast, where gasoline costs $4.16 a gallon, Runzheimer said. Tokyo is the second-most expensive, at $4.10 a gallon, the study found. Fuel prices in the December 1988 survey were for full-service regular leaded gasoline, the most common grade outside the United States. The prices compare with about $1.24 a gallon for full-service unleaded regular, and 84 cents a gallon for self-service unleaded regular fuel in Atlanta, Runzheimer said.

A lack of snow in the Swiss Alps is expected to continue at least through Tuesday following the sunniest January ever recorded, a Swiss Meteorological Institute spokesman said Thursday. *(AP)*

TAP-Air Portugal flight staff called off a strike planned for Friday after accepting a 7 percent wage increase, but maintenance workers and technicians on the ground said Thursday their strike would go ahead. Public transport workers on trains, buses, trams and the subway also are set to strike Friday for better pay and working conditions. *(Reuters)*

The county of Stockholm has reduced the speed limit on highways to 90 kph (54 mph) to reduce pollution from trucks and cars. *(AP)*

Scandinavian Airlines System said Thursday that two new bomb threats had delayed some domestic flights but that searches had uncovered no bombs. A series of threats against the airline have been linked to Sweden's role in the mediation that led the United States to start contacts with the Palestine Liberation Organization. *(Reuters)*

POLICY: *Enhanced National Security Council Role*

(Continued from Page 1)

deal with specific national security issues and programs.

As many as 80 or 90 such groups were entwined in the apparatus of the National Security Council, an official said.

Since the Kennedy administration, there has been an ebb and flow in the influence of the National Security Council staff on foreign policy. The issue has been whether foreign policy should be directed by the State Department or whether a national security adviser should be in charge to resolve rivalries between State Department and Pentagon officials.

Established in the 1940s and 1950s to serve as a kind of secretariat for foreign policy decisions made largely by the president and State and Defense, the council staff under President John F. Kennedy began to play an increasingly important role in policy making.

Under President Lyndon B. Johnson, the State Department became preeminent, but in the Nixon years, the National Security Council staff under Henry A. Kissinger was clearly in charge. Mr. Kissinger added to his power when he became secretary of state as well as national security adviser.

Under President Gerald R. Ford, power flowed to the State Department when Mr. Kissinger yielded the national security post but remained secretary of state. Mr. Scowcroft, who had been Mr. Kissinger's senior deputy in the National Security Council staff, became national security adviser.

Under President Jimmy Carter, the secretary of state, Cyrus R. Vance, gradually lost influence to Zbigniew Brzezinski, the national security adviser.

One official said that the current restructuring would include the creation of a group of senior government officials who will meet daily under Mr. Gates, a career intelligence officer who was formerly deputy director of the CIA.

Officials said that this new group would be central to the decision-making process, and would include the vice chairman of the Joint Chiefs of Staff, the deputy director of the Central Intelligence Agency, the undersecretary of defense for policy and the undersecretary of state for political affairs.

On some issues, the deputy secretaries of state and defense will join the so-called "deputies committee." Officials said that the restructuring was designed to give "coherence and compatibility to the process."

Previously, there was a gap between the highest level meetings on foreign policy, which included cabinet officers and top aides, and discussions among middle level officials from different agencies. In some cases, the middle level officials lacked the influence to bring policy options to a decision-making stage.

The group headed by Mr. Gates has the seniority to narrow options and bring them quickly to Mr. Bush and the cabinet-level group.

What is viewed by Mr. Scowcroft and his staff as especially significant, officials said, is that the Joint Chiefs of Staff and the CIA will be represented in the Gates group.

People chosen for senior staff jobs on the council include:

- Robert D. Blackwill, senior director of European and Soviet affairs. Mr. Blackwill is a career diplomat who was associate dean of the Kennedy School of Government at Harvard and served as U.S. ambassador and chief negotiator at the Vienna negotiations on Mutual and Balanced Force Reductions from 1985-87.
- David C. Miller Jr., director of the Africa Bureau, a business executive who served as ambassador to Zimbabwe from 1984-86.
- William W. Working, senior director for intelligence programs, who has worked in the intelligence community for more than 21 years, including periods in the Air Force and on the Senate Select Committee on Intelligence.
- Richard Haass, senior director for the Near East and South Asian affairs, who was formerly special Cyprus negotiator at the State Department from 1982-85 and served in the Office of Regional Security Affairs in the Bureau of Political-Military Affairs.
- Karl D. Jackson, senior director for Asian affairs, a former deputy assistant secretary of defense for international security affairs.

PHYSICAL: *Doubts Raised*

(Continued from Page 1)

doctors have urged on their patients, including breast self-examination by women.

"Although breast self-examination is safe, simple to do and inexpensive, no evidence currently shows that it will add to the screening efficacy of the two proved methods, physician breast examination and mammography," an X-ray technique for detecting tumors, the report said.

Both of the latter techniques are effective screening procedures, the authors said.

The authors of the report also urged that every woman older than 20 undergo a Papanicolaou test (pap test) at least once every three years as a test for cervical cancer.

For healthy adults of both sexes, blood pressure should be checked every two years and teeth every year; adults over 60 should also have their hearing and vision checked annually, the report said.

But many other routine procedures are a waste of effort, the authors said.

In a routine examination of an apparently healthy adult, it is pointless to measure temperature or pulse and respiration rates, they concluded. The lungs need not be thumped, listened to or even X-rayed in the routine screening of patients for incipient lung cancer, the report said.

The report was carried out by Dr. Sylvia K. Oboler of the Denver Veterans Administration Medical Center in Colorado and Dr. F. Marc LaForce of the Genesee Hospital in Rochester, New York.

Dr. Oboler said, "Blue Cross has commissioned a whole series of independent studies, and I certainly can't see that these studies will save the company money."

A spokesman for the American Medical Association in Chicago said there would be little comment on the report from physicians until they had had time to study it.

In a telephone interview, Dr. Oboler acknowledged that some conclusions of the report might draw fire from some physicians "who have been encouraging patients to stay healthy by getting regular checkups."

Mr. Huth, the journal editor, said, however, that earlier reports published by his journal "that flew in the face of well-established dogma" have since been accepted as landmarks in medicine. He cited a series of papers published last year that "pooh-poohed the value of certain diagnostic tests" that had been long accepted.

Dr. Oboler said physicians in the United States had been encouraging healthy people ever since the 1920s to undergo routine annual physical examinations. In 1977, this position was seriously challenged by the Canadian Task Force on the Periodic Health Examination, and only recently has criticism of the traditional checkup gained ground in the United States, she said.

MIDEAST: *A Firm U.S. Stance*

(Continued from Page 1)

proach to the Arab-Israeli conflict, simply because we have begun a dialogue, and they were sending a message to the United Nations that this administration does not want to see the Security Council debased as a club for beating this or that country over the head every Monday, Wednesday and Friday."

The maneuvering over the statement began Jan. 18, when the PLO proposed that a declaration be issued by the Security Council president, Ismail Razali of Malaysia, condemning Israel's handling of the Palestinian uprising.

As only member states may introduce such motions, the seven nonaligned nations on the council agreed to sponsor their own draft.

The initial version put forward by the nonaligned group included what State Department officials described as very harsh language: references to Israel's "killing and wounding of innocent civilians including children," identification of the West Bank and Jerusalem as "Palestinian territory," and an assessment that Israel's treatment of the Palestinians was having "serious consequences on the prospects of achieving a settlement."

The United States informed the nonaligned nations that it would oppose such a statement.

After further consultations, the group came back on Jan. 23 with a new version, consisting of somewhat toned-down language.

But this too was rejected by the State Department as unacceptable.

On Jan. 25, the nonaligned group produced still another draft, with even more muted language, urging "all parties to recognize the need for mutual understanding and respect as a contribution toward the peace process."

At this point, a difference of opinion developed within the State Department. The assistant secretary for international organizations, Richard S. Williamson, insisted that the statement call on all sides for "mutual restraint" and not just "mutual understanding," on the ground that this has been the U.S. position and even the slightest shift in language could be subject to misinterpretation.

The conflicting positions were forwarded in writing to Mr. Baker Jan. 26, his first full day on the job.

Administration officials said Mr. Baker concluded that the language being proposed in the final draft was still "unbalanced" and that the alternative phrasing the State Department had demanded should have been acceptable to all sides.

On Monday, Mr. Baker instructed the U.S. Mission to hold firm and insist on a reference to "mutual restraint."

The nonaligned nations decided that they were not ready to compromise any further. On Tuesday they announced that they were halting their efforts, for the time being, to get the statement adopted.

TOWER: *Senate Panel Puts Off Vote on Nomination*

(Continued from Page 1)

briated and in the company of women other than his wife.

Asked by Mr. Nunn if he had a drinking problem, Mr. Tower replied: "I have none. I am a man of some discipline."

Mr. Tower, 63, served 24 years as a Republican senator from Texas, and he was chairman of the Armed Services Committee from 1981 to 1984.

He was dogged by allegations of drinking and pursuing freewheeling relationships with women before his nomination. In divorce papers filed two years ago by his second wife, Lilla Burt Cummings, Mr. Tower was accused of "marital misconduct."

■ Inquiry on Sullivan

The FBI is questioning officials at the Morehouse University School of Medicine about a connection of the Health and Human Services secretary-designate, Louis W. Sullivan, to a former Georgia official convicted of extortion.

The FBI is inquiring about a former Fulton County commissioner, Reginald Eaves, who was involved in a financial conflict-of-interest scandal at the Atlanta school, where Mr. Sullivan is president.

Dr. James Goodman, executive vice president of the Morehouse medical school, said the FBI "talked to me about a range of issues about Dr. Sullivan's fitness for the position."

He declined to say what other issues the FBI questioned him about.

■ Biden Sees Bush Mistake

Senator Joseph R. Biden Jr., the chairman of the Senate Judiciary Committee, criticized Mr. Bush's exclusion from the cabinet of William J. Bennett, nominated to lead the war on drugs, as "a crucial mistake."

"I'm worried that the president has made a crucial mistake, maybe in part by oversight, by not having the drug coordinator at the table," Mr. Biden, Democrat of Delaware, said.

The director of national drug control policy "has to do what none of the others" in the cabinet have to do, Mr. Biden said. "He has to take them on, as a practical matter. He is entering the most dangerous world in Washington, and that is the world of fiefdoms."

In establishing a national drug control policy, the director will be called upon to develop a strategy covering more than 30 agencies spread throughout the federal government and under the more direct control of individual secretaries, who are in the cabinet.

AFGHAN: *Najib Is Defiant*

(Continued from Page 1)

lished governing bodies, General Najib said, "they can't even provide security or services. How can they claim to be able to run a whole country?"

The 42-year-old Afghan president showed no signs of the pressure and tension evident elsewhere in the capital on the eve of the final Soviet pullout. His answers were at times forceful, at times delivered with a measure of humor.

At one point when the electric power failed, as happens often these days in the capital, stopping simultaneous translation of his remarks, General najib got up and said, "Let's take a break until it is fixed."

General Najib expressed confidence in the Afghan Army's ability to defend the capital and the other major cities it still holds and to keep open supply routes from the Soviet border.

He said, however, that the army would not move out of its defensive posture around such cities as Jalalabad and Kandahar, where it is heavily pressed by the mujahidin.

The general said that "history will judge" whether the decision to invite Soviet forces to Afghanistan was a "mistake" or not.

He also sharply criticized the decision of Western embassies to shut down their operations in Kabul because the city was becoming too unsafe.

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WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	15	59	10	50	fr
Amsterdam	2	36	1	34	fr
Athens	12	54	8	46	clo
Barcelona	14	57	4	39	fr
Belgrade	0	32	0	32	clo
Berlin	2	36	2	36	fr
Brussels	1	34	0	32	clo
Budapest	2	36	1	34	clo
Copenhagen	3	37	2	36	clo
Costa Del Sol	16	61	6	43	clo
Dublin	11	52	6	43	fr
Edinburgh	10	50	5	41	fr
Florence	10	50	-1	30	fr
Frankfurt	0	32	0	32	fr
Geneva	0	32	-1	30	fr
Helsinki	4	39	0	32	fr
Las Palmas	20	68	13	55	clo
Lisbon	11	52	9	48	clo
London	3	37	0	32	clo
Luxembourg	0	32	-4	25	clo
Madrid	8	46	0	32	fr
Milan	9	48	-1	30	clo
Moscow	-2	28	-1	30	clo
Munich	-1	30	-6	21	fr
Nice	14	57	7	45	fr
Oslo	0	32	-2	28	clo
Paris	2	36	-1	30	clo
Prague	2	36	1	34	clo
Reykjavik	1	34	0	32	sn
Rome	14	57	9	48	fr
Stockholm	1	34	0	32	fr
Strasbourg	-1	30	-2	28	fr
Venice	10	50	2	36	fr
Vienna	3	37	2	36	r
Warsaw	1	34	1	34	sw
Zurich	-2	28	-3	27	clo
MIDDLE EAST					
Ankara	1	34	-13	9	fr
Cairo	17	63	8	46	fr
Istanbul	8	46	2	36	fr
Jerusalem	8	46	1	34	fr
Tel Aviv	16	61	7	45	fr
OCEANIA					
Auckland	25	77	18	64	sh
Sydney	—	—	17	63	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	23	73	r
Beijing	5	41	-5	23	clo
Hong Kong	15	59	14	57	r
Manila	30	86	22	72	r
New Delhi	23	73	8	46	r
Seoul	0	32	-7	19	r
Shanghai	8	46	1	34	r
Singapore	30	86	24	75	r
Taipei	17	63	18	64	r
Tokyo	8	46	4	39	clo
AFRICA					
Algiers	15	59	5	41	r
Cape Town	24	75	13	55	r
Casablanca	16	61	4	39	r
Harare	28	77	18	64	r
Lagos	30	86	22	72	r
Nairobi	26	79	14	57	r
Tunis	15	59	1	34	r
LATIN AMERICA					
Buenos Aires	24	75	18	64	r
Lima	27	81	21	70	r
Mexico City	22	72	7	45	r
Rio de Janeiro	30	86	22	72	r
NORTH AMERICA					
Anchorage	-16	3	-26	-15	sn
Atlanta	25	77	14	57	pc
Boston	2	36	-1	30	sn
Chicago	-2	28	-7	19	sn
Denver	-9	15	-19	-2	sn
Detroit	-1	30	-5	23	sn
Honolulu	27	81	20	68	r
Houston	27	81	20	68	r
Los Angeles	14	57	12	54	r
Miami	29	84	18	64	r
Minneapolis	-16	7	-23	-10	sn
Montreal	-10	14	-14	7	sn
Nassau	27	81	18	64	r
New York	5	41	1	34	sn
San Francisco	9	48	3	37	r
Seattle	4	39	-1	30	r
Toronto	-4	25	-8	18	sn
Washington	7	45	-1	30	sn

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

FRIDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Overcast. Temp. 4 — 1 (39 — 34). MADRID: Cloudy. Temps. 9 — 4 (48 — 32). NEW YORK: Rainy. Temps. 7 — 3 (36 — 36). PARIS: Foggy. Temps. 9 — 6 (48 — 32). ROME: Fair. Temps. 12 — 1 (54 — 34). TEL AVIV: Not Available. ZURICH: Overcast. Temps. 6 — 2 (43 — 28). BANGKOK: Foggy. Temps. 32 — 23 (90 — 73). HONG KONG: Overcast. Temps. 16 — 14 (59 — 57). MANILA: Showers. Temps. 30 — 22 (84 — 72). SEOUL: Fair. Temps. 2 — -7 (36 — 19). SINGAPORE: Fair. Temps. 31 — 24 (88 — 75). TOKYO: Cloudy. Temps. 8 — 4 (46 — 39).

هكذا من الأصل

For Managua, U.S. Pushes Diplomacy

Quayle, in Caracas, Signals Approach

Compiled by Our Staff From Dispatches

CARACAS — Vice President Dan Quayle said here Thursday that Washington would pursue a diplomatic approach to settle the Nicaraguan conflict and was ready to help Latin America cope with its debt crisis.

"There is a period of time in which we are going to pursue a diplomatic approach," Mr. Quayle said at a news conference that he gave after the inauguration of Carlos Andrés Pérez as president of Venezuela.

Discussing U.S. opposition to direct talks with the government of President Daniel Ortega Saavedra of Nicaragua, Mr. Quayle said: "What we want is to have Ortega sit down and to first begin a serious dialogue with the resistance within his own country."

Mr. Quayle criticized former President Jimmy Carter of the United States for meeting with Mr. Ortega in Caracas, saying such action "has a chance of complicating matters."

Mr. Quayle also criticized Mr. Carter for comments that reporters said the former president had made urging the Bush administration to use economic persuasion in El Salvador to encourage the U.S.-backed government there to fight human rights abuses.

"If he's calling for economic sanctions against El Salvador, yes, he's complicating matters," Mr. Quayle said. "I don't think it's particularly helpful for a former president to make those kind of statements."

Mr. Pérez was sworn in as president in a ceremony attended by more than a score of world leaders. Mr. Pérez promised to work for peace in Central America and a solution to the problems of Latin America's $440 million foreign debt.

Mr. Pérez, 67, won a second presidential term 10 years after his first term ended. He is Venezuela's seventh president in 30 years of democracy and the first to be re-elected. Mr. Pérez has made it clear that he will work for a common Latin American stand against creditors. He has given top priority to Venezuela's $33 billion foreign debt.

In a speech Wednesday to the Latin American Economic System, a regional organization, Mr. Pérez called on Latin American nations to "unite our fears and face together the presidents of the United States, Western Europe and Japan's prime minister" in debt discussions.

All the Central American presidents were in Venezuela for the inauguration except José Napoléon Duarte of El Salvador, who has cancer.

Mr. Pérez, a Social Democrat, has promised to normalize Venezuela's relations with Cuba, which were downgraded in 1980.

Mr. Quayle, who arrived in Caracas on Wednesday on his first foreign policy mission, met with Mr. Pérez later that day. Mr. Quayle rejected the idea of a Latin debtors' cartel and said the United States would oppose a move toward one.

Mr. Pérez pressed for more U.S. flexibility on the issue, and Mr. Quayle promised to relay the request to Washington, a Quayle aide said.

Mr. Carter said Wednesday night that he and Mr. Pérez had met Mr. Ortega earlier in the day and that Mr. Ortega told them of a new Nicaragua proposal to solve the struggle with the contra rebels.

Mr. Carter declined to discuss details of Mr. Ortega's plan with reporters, and U.S. officials said they had not seen it.

But diplomats familiar with the Ortega plan said Wednesday that under it Nicaragua would accept repatriation of 11,000 rebel troops while seeking to "build a bridge" for direct talks with Washington on mutual security matters.

Officials said they had heard from those familiar with the Ortega plan that it dealt with resettlement of the contras. And Mr. Carter characterized it as principally a matter between Nicaragua and Honduras, the country adjacent to Nicaragua that the contras have used as a staging ground.

In an interview with The Washington Post, Mr. Ortega said his initiative stemmed from a Sandinista view that the U.S.-backed counterrevolutionary war in Nicaragua was virtually over. The U.S. Congress cut off military aid to the contras a year ago.

Mr. Ortega said Nicaragua was taking new steps to comply with a 1987 Central American peace accord "so that, in the medium term, we can progress toward direct negotiations with the United States."

(WP, AP, Reuters)

Bob Strong/Reuters

Jimmy Carter, left, in Caracas on Wednesday with Mr. Ortega, an interpreter and President Pérez of Venezuela.

Congressional Pay: A Cut in the Raise?

The Associated Press

WASHINGTON — House Speaker Jim Wright, moving to limit political damage from a proposed 50 percent congressional pay raise, said Thursday that the House would vote next week on cutting the increase to 30 percent.

Mr. Wright, a Texas Democrat, said that the House would also vote on banning members from receiving speaking fees and other honoraria. Because members currently can retain up to 30 percent of salary in honoraria, those receiving the maximum would receive no actual raise.

The Senate had planned to vote Thursday or Friday, and was virtually certain to turn down the 50 percent raise, which would boost most congressional salaries from $89,500 to $135,000. A 30 percent raise would hike the current congressional salary to $116,350.

Mr. Wright has tried to convince his colleagues for weeks to reduce the raise to 30 percent, but he said earlier that members of Congress were telling him privately that they wanted 50 percent without a vote.

The raise for members of Congress, U.S. judges and top executive branch officials becomes law unless both houses of Congress vote to stop it.

A Democratic leadership aide, who spoke on condition of anonymity, said that Mr. Wright planned for the vote to take place after the raise becomes law next Wednesday.

"The House will vote next week to ban all honorariums and to cut the pay raise to 30 percent instead of 50 percent," Mr. Wright said.

He said there was "always a chance" that his proposal would be defeated. But he said he was encouraged by answers given by 326 House members to a survey he conducted this week on the pay raise.

Meanwhile, House and Senate negotiators moved ahead Wednesday with separate but similar proposals to bar speaking fees and restrict other outside income should the raise become law.

Both packages would ban honoraria, including fees for speeches, appearances and articles, upon enactment of the raise.

Leaders in both houses have made clear that honoraria would continue if the pay raise is defeated because members do not want to suffer a loss of income.

Chinese Sales Wars Flood U.S. With AK-47 Rifles

By Jay Mathews
Washington Post Service

SANTA FE SPRINGS, California — Cheap, imported AK-47 rifles, such as ones used in U.S. drug and gang killings and in a California schoolyard massacre, are flooding the United States as a result of a sales war among different agencies of the Chinese government, according to China analysts and firearms dealers.

Chinese eagerness for profits from one of their few products with a high-quality reputation in the United States, and their desire to keep potentially vital weapons plants in operation, has increased imported AK-47 sales tenfold in the last four years and has led to calls for a ban on their sale in California and other states.

The developments have occurred during a new era of Chinese economic liberalization and decentralized decision-making under which Chinese companies often can set many of their own quotas but must also pay their own way rather than receive state subsidies.

Tom Hill, a spokesman for the Treasury Department's Bureau of Alcohol, Tobacco and Firearms, said 8,131 AK-47s were imported in the two years ending in 1986. By contrast, during a 14-month period ending Nov. 30, 1988, the bureau recorded 40,379 imported AK-47s, at least 90 percent from China.

Shane Keng, vice president of Keng's Firearm Specialty Inc. of Riverdale, Georgia, said Chinese government-owned companies such as his supplier, Poly Technologies Inc., were competing with China North Industries Corp., NORINCO, another government arms manufacturer, as well as with smaller government entities for the U.S. market.

Some Chinese suppliers are so confident of finding U.S. buyers that they are sending "factory rejects," Mr. Keng said. "Because of the fly-by-night operations, there has been a tendency to dump the firearms in the U.S."

The retail price of such arms, often dipping to about $300, "is so low it's ridiculous," said a dealer who has dealt with the Chinese.

'Whether your particular kind of shooting involves skeet or trap, hunting, target shooting or just a casual day out plinking with a few good friends, NORINCO has a firearm that you can enjoy using.'

Blurb from an arms catalogue

Mr. Keng, who has visited some Chinese AK-47 plants, estimated that there are at least 200 of them scattered throughout the country.

His Chinese supplier, Poly Technologies, placed a large ad in the latest edition of Soldier of Fortune magazine calling its AK-47 "an instant classic" and "the essence of practicality."

State Department officials noted that the Chinese weapon sales are legal and are unlikely to be an issue in talks later this month between President George Bush and Chinese leaders in Beijing.

Importers argue that a ban on such weapons will not prevent tragedies such as the killing of five schoolchildren in Stockton, California, and argue that their weapons are intended only for hunting and target practice. J.L. Chen, vice president of ChinaSports Inc. in Santa Fe Springs, said the .223 caliber models his company buys are suitable "only for light sports use," such as target practice.

At ChinaSports' office, dealers can obtain a catalogue with 17 different rifles and pistols on the cover.

"Whether your particular kind of shooting involves skeet or trap, hunting, target shooting or just a casual day out plinking with a few good friends, NORINCO has a firearm that you can enjoy using, and depend on," the catalogue said.

Demand for AK-47s in California has been high in recent weeks, particularly after legislators began to discuss a ban.

A State Department official said federal regulations prohibit importation of military equipment, such as the AK-47, from the Soviet Union and some other Eastern Bloc countries but permit AK-47 imports from nations such as China, Yugoslavia and Egypt.

Sir William Stephenson, British Spymaster, Dies

Reuters

HAMILTON, Bermuda — Sir William Stephenson, 93, the wartime spymaster to whom Churchill gave the code name Intrepid, died Tuesday and was buried in a private ceremony Thursday.

As British security coordinator in the Western Hemisphere during the war, he launched a program of British-American cooperation and espionage that was important in the fight against the Germans.

The details of those exploits did not become known until the publication in 1976 of the book "A Man Called Intrepid." Sir William had retired by then, moving to Bermuda in 1968, where he lived quietly.

Sir William was born in Winnipeg, Manitoba, the son of a lumber mill owner. He became an engineer, was gassed in World War I and sent to England to convalesce. He later joined the Royal Flying Corps and shot down 26 enemy planes.

During the 1920s he made a fortune through various business ventures and his invention of the wire photograph. He was also an amateur light heavyweight boxing champion of the world.

In June 1940, Churchill sent him to New York. Officially, he was to establish an organization to protect British shipping and counter the activities of German spies.

UPI

Sir William Stephenson

In fact, his assignment had a much wider scope. Churchill called him Intrepid. The name was apt for the quiet man who resolutely took on Hitler and the Nazis.

From an office in New York's Rockefeller Center, he operated a vast, covert intelligence operation.

By the summer of 1940 most of Europe already had fallen to the Germans. The United States showed no sign of entering the war and Britain seemed to stand alone.

Sir William had to counter American neutrality and gain U.S. support for the war. He was to pass on scientific secrets to the United States, train agents to work in Europe, break enemy codes and police North American ports.

His office, he acknowledged 30 years later, was "the hub of all branches of British intelligence."

He stayed out of the public eye until the 1987 scandal over "Spycatcher," a book written by a former intelligence agent, Peter Wright, that the British government sought to suppress.

He said he believed the late Sir Roger Hollis, who had been head of Britain's MI5 intelligence, was a Soviet double agent, a key assertion of "Spycatcher."

■ *Other deaths:*

Elaine de Kooning, 70, the artist and teacher, Wednesday of lung cancer in Southampton, New York. Her works are in the collections of the Museum of Modern Art and the Guggenheim Museum in New York and are featured in other institutions throughout the country.

Grace Hayes, 93, Las Vegas and Hollywood nightclub hostess of the 1940s and 1950s, Wednesday. Forty years ago, she operated Las Vegas' most popular nightclub, The Red Rooster.

Drug Use Is Linked to U.S. Air Crash

By John H. Cushman Jr.
New York Times Service

WASHINGTON — The National Transportation Safety Board has ruled for the first time that illegal drug use had contributed to the crash of an American commercial airliner.

The case, involving the crash of a commuter airplane in Colorado in January 1988, has taken on added significance since the Transportation Department announced rules in November calling for random drug testing of millions of transportation workers, including pilots.

The rules have been challenged in court by groups representing transportation workers. The Airline Pilots Association, among those opposing the rule, has previously noted that drug use by a pilot had never been linked to a commercial air accident.

At a hearing on Wednesday, the safety board heard long and often ambiguous testimony from its staff before concluding that the performance of the pilot, S.S. Silver, had been diminished in flight because he had been using cocaine earlier.

Traces of cocaine were found in the dead pilot's blood and urine, and investigators learned that he probably used the drug the night before the crash.

Staff experts called it unlikely that he was under the influence of the drug during the flight. They said, however, that it was likely he was fatigued after a night of drug abuse and that in the aftermath of the drug abuse his concentration might have been hampered.

JAPAN: *Talks on Trade*

(Continued from Page 1)

past had contributed to a reduction of the U.S. trade deficit with Japan.

Currency adjustments have also encouraged increased Japanese investment in the United States, he said.

Mr. Baker basically welcomed foreign investments in the United States because they created employment, the officials said.

But the two nations should manage foreign investments carefully because Japanese investment in the United States had generated some concerns among the public and might help push up U.S. interest rates, Mr. Baker said.

Mr. Uno expressed regret over a remark last week by the U.S. defense secretary-designate, John G. Tower, who said that Japan should share a larger portion of spending on common defense. Mr. Tower made the remark at his Senate confirmation hearings.

Japanese officials said that Tokyo would increase military spending by 5.9 percent in the next budget and that the Japanese Constitution did not permit much more military spending.

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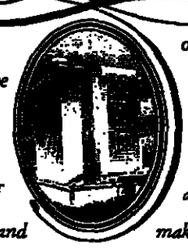

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OPINION

A Cold War Retrospective

No final answers emerged from the recent Moscow conference of American and Soviet participants in the 1962 Cuban missile crisis. Yet ten, five or even three years ago, who would have thought such an encounter possible? The meeting bodes well for Mikhail Gorbachev's call to remove embarrassing blanks from Soviet history.

In the same closed room were gathered several of President John Kennedy's senior advisers; the former Soviet foreign minister, Andrei Gromyko; Cuban officials, and Sergei Khrushchev, son of the deposed leader whose very name had vanished from Soviet political discourse.

Everyone agreed, then as before, that the world came perilously close to a nuclear war when Mr. Kennedy imposed a blockade to force Moscow to remove missiles secretly deployed in Cuba. But the meeting did not clear up what really impelled Nikita Khrushchev to deploy those missiles, or whether Fidel Castro in fact urged Moscow to start a nuclear war by attacking U.S. cities.

More interesting than the details of the rehearsal of a climactic moment was the rehearsal itself — an event that prompts a larger question: Why shouldn't there be more such meetings of people from all sides who played a role at turning points in the Cold War?

Consider Yalta: Did Soviet diplomats like Mr. Gromyko truly believe the West had abandoned Eastern Europe to Soviet dominion? And did Western diplomats truly nourish imperialist visions of encircling and subverting the Soviet Union? Why not a firsthand response, in an open session, from George Kennan, whose cables from the U.S. Embassy in Moscow in the 1940s articulated the very axioms of the Cold War?

Other crises ring with retrospective possibilities: the 1956 Hungarian revolt, the 1968 invasion of Czechoslovakia, the Vietnam War. Selective memory and state secrecy may limit how far participants can discuss, even in tranquillity, the motives that drove leaders to resort to force. But the encounters themselves have human value, and could provide insight into abiding puzzles.

Is the Cold War rooted in a collision of ideology or interests? How accurate were assessments of the other side's intentions in conflicts past? There are questions enough to fill a thousand Moscow nights.

— THE NEW YORK TIMES.

How Many Americans?

The very idea of a drop in national numbers always sets off alarms. In their book "The Fear of Population Decline," Michael S. Teitelbaum and Jay M. Winter recall a 1979 essay, "How a Nation Dies," written by a French foreign minister, no less, for a collection lavishly titled "Withered France." In 1982 Alexander Solzhenitsyn mourned that the Russian people "has moved into a phase of biological degeneracy" and before long would "almost vanish from the face of the earth."

Now listen to the alarm voiced over the newest projections from the U.S. Census Bureau. These suggest that the U.S. population will grow from the present 246 million to 302 million in 50 years and then trail off to 292 million by the year 2080. That is a very slight decline. Still, it is the first ever projected and prompts fears of economic decline, diminished vitality and "great turbulence."

The alarms are dramatic but implausible. To the extent that 50-year projections have meaning, the news from Census is good; it augurs a calm and stable era for America.

What is the right number of Americans? There is no sensible numerical answer. When George Washington became president there were 3.9 million. When Franklin Roosevelt became president there were about 125 million, a figure that has since doubled. And the land could support many more. There are 64 Americans per square mile; compare that with 2,100 in the typical suburb — and with the 65,000 people per square mile in Manhattan. The useful population question is not how big, up or down. It is how fast, up or down.

Society can adapt smoothly to gradual changes. It is rapid changes that wrench one institution after another. Americans know that from the baby boom pushing through the Stages of Man like a pig in a python. But the new projections describe a very gradual drop — only 3 percent, and over 42 years. Depending on all manner of world events, that implies a period of exceptional calm.

This speculative news about the future looks more encouraging in the light of non-speculative non-news about the present. There is a population bomb latent in the present U.S. population: the extraordinary number of women in their childbearing years, the women of the baby boom. If they were having children at the same rate as their mothers, there would be some eight million births this year. In fact, the figure will be about 3.8 million.

It is true, Martin O'Connell of the Census Bureau notes, that the fertility rate is going up among women in their early 30's. But that increase does not nearly offset the continuing decline in fertility among women in their 20's.

The total fertility rate now translates into about 1.8 births per mother. Is this figure, about the same as in England and France, the right one for a modern industrial society? Maybe, yet the figure in West Germany and Italy is much lower, 1.4 children. A rapid drop to, say, 1.0 child per family would be sure cause for alarm. Small, smooth movements over decades are not.

The right number of Americans is the number we can live with.

— THE NEW YORK TIMES.

S&Ls and the Senators

The U.S. Congress is unquestionably going to have to provide public money, and provide it quickly, to pay for the savings and loan disaster. What about the reforms to ensure that this epidemic of failure and fraud will not be repeated?

When the Senate Banking Committee opened its hearings this week, a difference of opinion emerged. Some senators want to link the cleanup money and the reforms tightly. Without the urgent need for money driving the legislation, they suspect, little reform will get enacted. But some senators want to split the two and handle them separately.

The hundreds of insolvent thrift institutions continue to run losses of about $1 billion a month. The regulators need money to close them, pay depositors and stop the losses. If the money gets tangled up in complicated reform legislation, the argument goes, it won't be passed before fall. By then the cost of the cleanup, already approaching $100 billion, would be $10 billion higher.

This argument comes mainly from the friends of the S&L industry, which is well aware that reform may lead to the abolition of a separate S&L industry altogether. The committee's new chairman, Senator Donald Riegle, opened the hearings by asking, among other things, whether there is any longer a need for it. The answer to that one is: no, it is time to fold the surviving S&Ls into the banking system and require them to live under the same rules as banks.

The S&Ls are using their own failures as a weapon in their defense. The effects of their mismanagement, compounded by inept regulation over the years, is costing the country so much, they shriek, that Congress cannot stop to think about causes and remedies. It is just going to have to shovel out the money fast and think about reforms later.

That would be exactly the wrong way to go. Congress needs to move promptly on reform, and Senator Riegle promises that the committee will take up no other legislation until this bill is reported. In view of the enormous sums of public money involved, it would be irresponsible to provide a nickel without first imposing fundamental changes on the system that permitted this fiasco.

— THE WASHINGTON POST.

TV and the North Trial

Congress took a considered risk in the summer of 1987 when it forced Oliver North to testify about his role in the Iran-contra affair. The investigating committees could not compel his testimony without a promise that it would not be used against him at any subsequent criminal trial.

The danger was that despite the promise, Mr. North's incriminating, televised testimony would be so widely disseminated that a jury unaware of it could not be empaneled. It was a risk worth taking; but it is not one worth enlarging, which television news did this week. No one questions the networks' right to disseminate the testimony; but their decision to do so, even as the jury is being selected, invites serious question about their judgment.

There was a need for the public to get as much information as possible about the Reagan administration's policy blunders, the arms-for-hostages dealings with Iran and the diversion of proceeds to the contra forces in Nicaragua. The hope was, and remains, that a fair trial could still be held on evidence gathered independently of the hearings.

This delicate balance between informing the public and seeking legal accountability requires jurors who are not only impartial but who have not been exposed to Mr. North's testimony. Yet just as the jury selection began, some television news organizations decided to play recordings of that very testimony. Those reports recklessly compound the problem of picking a jury.

U.S. District Judge Gerhard Gesell singled out ABC News for its report and said he was considering holding its correspondent, Tim O'Brien, in contempt. The able judge, well versed in communications law, undoubtedly knows that the report was not a deliberate attempt to obstruct justice and thus not subject to a contempt order.

Yet the judge's frustration is understandable. The network's response that it reported "fairly and accurately what has been said in public regarding the North case" is irrelevant. ABC and other broadcasters could have portrayed the jury selection dilemma effectively without flashing those film clips directly at the pool of prospective jurors.

— THE NEW YORK TIMES.

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Poland: An Uncertain Path, but the Only One

By William Pfaff

WARSAW — It was a momentous change of course for the Polish government to enter negotiations with Lech Walesa and Solidarity. The move was meant to preserve the power of the ruling Communist Party by disarming its opposition, but it consciously incorporates the risk that by offering power to the opposition, the Communists could end up having conceded it to them.

After a long and frank conversation with the government's official spokesman, Jerzy Urban, an even longer — and rather more philosophical — off-the-record talk with a member of the Central Committee who is one of those behind the opening to Solidarity, and informal contact in the last few days with several other members or supporters of the government, I am left with an overwhelming sense of their uncertainty about the course they now are on, but also of their conviction that the alternatives have been used up.

What has been agreed, so far, is merely that Solidarity and the government will talk — talk about legalizing Solidarity and about a program for political and economic reforms. The talks begin Monday. Neither side has a solid mandate for what it is doing. I will write about the opposition's problems in a second article. Here I want to suggest what the government thinks it will get from this, and why it is divided.

Many in the party simply see in this a defeat at the hands of Solidarity — possibly the beginning of the end of Communist rule. General Wojciech Jaruzelski got his way only by threatening to resign. His opposition inside the party includes an element in the security services, long close to the Soviet services, which is outside effective control by the Polish authorities. It was responsible for the 1984 murder of a priest who was Solidarity's chaplain, and it is suspected of the murder last month of another activist priest, Father Stefan Niedzielak.

The government is opposed by the official Communist trade unions, which not only are being pushed aside, but which recognize that the coming talks are meant to win Solidarity's support for unpopular economic austerity measures. Jerzy Urban speaks of the unions as part of the "left-wing" opposition the government faces.

One official I spoke with said it now is necessary to reconsider what was done from 1945 to 1949, when Poland's postwar coalition was destroyed by the Communists, who murdered, jailed or forced into exile the leaders of the non-Communist parties, incorporating the parties themselves into a monolithic National Unity Front. It seemed a rather considerable admission.

The government, Mr. Urban says, intends constitutional reform, the creation of "higher" forms of political structure — "a euphemism," he added, "covering return of the non-Communist political parties." He can envisage a coalition of forces in which the Communist Party might hold only a minority in parliament. Mr. Urban concedes that control would still rest with the Communists, because he expects the balance to be held by minor parties — the United Peasants and the Socialists — political shells left from pre-Communist days.

Another official observed that when the representatives of these parties found that they actually were casting the deciding vote in a newly elected parliament, it might go to their heads. Mr. Urban spoke, a trifle prematurely, if not disingenuously, of a possible "Tory and Labor" relationship between Communists and opposition in a new parliament.

There is, of course, another word for all this, one part of the Communist political vocabulary for many years: co-option. If Solidarity or other elements in the opposition agree to take part in new elections and enter Poland's parliament, they thereby will concede legitimacy to the existing political system. They become responsible actors in government, even when they vote against it.

The Communist authorities would like nothing better than to co-opt Solidarity, or the mainstream of Solidarity, so as to disarm it. Bringing Lech Walesa and other leaders of Solidarity into the political process that produces an economic austerity program would greatly help the government carry such a program out.

Yet is it simply that? Polish leaders can see the economic and social devastation about them in the country today. They know that history is pitiless, and that they will themselves one day be named in history for what they do. The current leadership is too intelligent to believe that socialism can work for them now. They know, as Mikhail Gorbachev knows, that they are close to disaster.

The leaders of the opposition are also too intelligent to give the government what it wants without getting from it something that makes the transaction valuable. They see the motives behind the government's new willingness to deal with them. They are, however, in a difficult position themselves. That will be discussed in a second article.

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Is Quayle Another Spiro T.?

By Edwin M. Yoder Jr.

WASHINGTON — Here's a bit of free advice for the new vice president of the United States: Dan Quayle should hire a new speechwriter — or at least buy a book or two on recent Russian history for the one he has now.

Mr. Quayle recently addressed the National Religious Broadcasters, one of those groups that, despite its pious name, seems to prefer something a bit hotter than the Sermon on the Mount. (It was before another such body that President Reagan delivered his famous pronouncement that the Soviet Union is an "evil empire.")

Mr. Quayle's theme was "the hatred of God" in the Soviet Union, a phenomenon which, he said, explained the failure of the Soviet revolution. He quoted Lenin ("every idea of God is unutterable vileness") and went on to say that Lenin's "gospel is still actively pursued in the Soviet Union."

And what is wrong with saying this? A lot. It is true that Lenin's hatred of religion, like his scorn for other gentle and valuable things, has affected the history of the Soviet Union, if only because it inspired the regime's effort to eliminate religious sentiment among the Russian people. But that campaign failed spectacularly; and the precise effect of it is something which, like the mysterious persecutions of Job, is easier to explain from a God's-eye view of human affairs.

But in view of the tenacity of Russian religion, the "hatred of God" is obviously not widely shared; it explains very little about the failure of the Soviet Union as a modern society. In fact, it explains far less than a host of perfectly obvious secular causes.

Besides the long continuation of oppressive and autocratic rule by a single party, one might mention: the folly of collective agriculture, the lack of wage and market incentives, the stratification of society into a dull mass ruled by a privileged elite, the suppression of variety in the arts, literature and learning, the perversion of certain branches of science, judicial murder and other barbarities (under Stalin) and the treatment of history and journalism as branches of propaganda.

But whatever one's view, Mr. Quayle chose an odd time to poke and probe at the well-known sensitivity of the Soviet leaders. They need room to distance themselves, as Mr. Gorbachev has been doing, from the most barbarous practices of the past, including the persecution of religion in general and of religious sects in particular. The last thing America needs is to ruffle the commissars' feathers to the point of making them rally defensively around discredited banners.

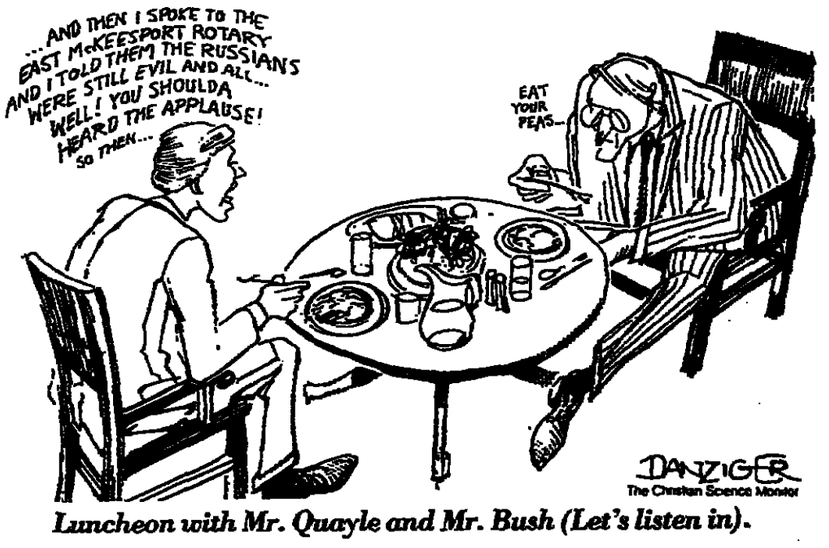
But from Mr. Quayle's viewpoint, the danger would be considerable even if the speech had been better. The danger, in a nutshell, is Agnewization. The first telltale symptom of its onset in a vice president is the making of flashy, pretentious speeches about complex matters. Long before his exposure as a bribe-taking felon, Vice President Spiro T. Agnew had earned the reputation of a hotshot orator, very big on the mashed-potato circuit.

Mr. Agnew had made a great splash in the heartlands as a speaker on the shortcomings of the press and other subjects, reeling off amusing phrases like "nattering nabobs of negativism." The initial effect was to make him a celebrity. The ultimate effect was to reinforce the impression of charlatanism and to shrink Mr. Agnew quickly to the status of a talkative buffoon.

Dan Quayle's credentials as an expert on the complicated history of the Russian revolution are, to put it politely, less firmly established than his authority on the history of golf. He should resist the temptation to be transformed into the administration's rhetorical point man.

There is almost a law of vice presidential survival here. The vice president who resists the allure of the rhetorical high life (Walter Mondale, George Bush) comes out better in the end than the vice president who consents to be used as a mouthpiece for speechwriters. Dan Quayle, if he aspires to stature and seriousness, will say no thanks to the invitation to become the Bush administration's junior toastmaster.

Washington Post Writers Group.



Luncheon with Mr. Quayle and Mr. Bush (Let's listen in).

In Cambodia's War of the Villages, a Turning Tide

By James Pringle

CHHUM KIRI, Cambodia — They were called Ta Mok (old man) and Ye Bo (old lady). Even now people who live near the Abandoned Mountains, which loom above this village, seem to shudder inwardly when they utter the names. Ye Bo, one of the two Khmer Rouge leaders in this part of Kampot Province, in southern Cambodia, killed not only the "new people" from the cities. If defied, she would murder her own Khmer Rouge cadres.

"Ye Bo would shoot them herself, or just slice into them with a knife," said Tinh Doeung, 47, who survived the Khmer Rouge reign of terror to become a local official of the present government in Phnom Penh, known as the People's Republic of Kampuchea, or PRK.

Nobody here knows what happened to Ye Bo. But Ta Mok is still the Khmer Rouge commander in charge of the central warfront in Cambodia, operating from his base near Otrao in northeastern Thailand. He is a lieutenant to Pol Pot, the notorious Khmer Rouge leader.

Some time ago, Ta Mok stepped on a mine and lost a leg. But he received an artificial limb courtesy of the office of the United Nations High Commissioner for Refugees. Like other Khmer Rouge leaders, he was able to recover in a camp for displaced Cambodians at Mairud in Thailand in 1979. This was after Vietnamese invaders had ousted the Pol Pot regime and installed the PRK.

Ta Mok and Ye Bo are remembered here for having driven more than 20,000 people into the mountains so that they could be used by the Khmer Rouge as porters and form a future recruiting base. The old people and the children could not traverse the steep paths, so they were abandoned; hence the name of the mountain range. They died, as did others later — 8,000 in all — of starvation and sickness.

The Khmer Rouge are still in the Abandoned Mountains. But they are now headed by a white-haired cadre named Chem. People here say he is as cruel as his predecessors. At nights, Chem leads his men down into the hamlets around Chhum Kiri to murder local officials, intimidate civilians and find food. But unlike in former times, PRK militiamen from the villages now go up into the mountains in search of Chem and his guerrillas. There are bloody encounters, with deaths on both sides.

Soviet and Vietnamese diplomats in Phnom Penh say that it is in villages like Chhum Kiri that the fate of Cambodia will be decided, and that there is nothing Hanoi's army, which is now withdrawing, can do to help.

Having just spent almost a month traveling inside Cambodia, on my fourth visit in a year, I am convinced that the Khmer Rouge cannot fight their way back to power as soon as the Vietnamese complete their withdrawal. Pol Pot, 63, the overall commander of the Khmer Rouge from his base in Thailand, has shown a great capacity for self-delusion. And PRK officials say the Khmer Rouge guerrillas in the field send back falsely optimistic progress reports.

Moul Soukha, 28, a militiaman in Baeng Mkak, a village just beneath the Rolling Elephant Mountains, not far from Chhum Kiri, occasionally crosses lines on his field radio with the nearby Khmer Rouge. On one such occasion last year, they told him: "We will attack you, but, if you are not Vietnamese, we won't harm you." Moul Soukha replied: "We are not Vietnamese but we will fight you to the end of our lives."

The guerrillas did attack Baeng Mkak in December. But the PRK militiamen held their ground. They killed the commander of the attacking unit and pursued the rest of the band up into the mountains.

On my fourth visit to Baeng Mkak recently, I found the villagers confident they could handle anything the Khmer Rouge could dish out. This is a new attitude in Cambodia.

In vast stretches of the countryside, local militiamen report no contact with the Khmer Rouge for years. Along the border, the PRK regular army, with Vietnamese help, has outfought the Khmer Rouge in three major battles in recent months. In the war of the villages, the PRK militia seem to be more than holding their own.

Yet the Khmer Rouge can still inflict substantial damage on Cambodia. So a negotiated settlement between all rival factions is the best route to a peaceful future. Such a settlement would involve Prince Norodom Sihanouk, Cambodia's elder statesman, sharing the reins of power with Hun Sen, the young and energetic prime minister of the PRK. The Khmer Rouge should also participate in this arrangement, reflecting the 5 percent support they can muster in the remote countryside.

There is an element of the authoritarian state about the PRK that makes it uncongenial to those who espouse Western democratic values. But under the PRK's "land to the tiller" program, most collectives will disappear and peasants will work their own land, with the right to pass it on to their descendants. This gives ordinary people in the countryside something to fight for. And economic liberalization, spurring trade and commerce in the towns, gives urban dwellers something to defend.

There has been a sea change in Cambodia in recent months as the PRK reacts pragmatically toward negotiations for a settlement. The Cambodians have learned a painful lesson. They will never again, as they did in 1975, lay down their guns for the Khmer Rouge.

The writer, who covered Vietnam and Cambodia for three years for Reuters during the Vietnam War, was recently in Cambodia on assignment for Time magazine. He contributed this to the International Herald Tribune.

Balancing Act for Phnom Penh

THE conflict over Cambodia appears to be drawing to a close. From the beginning, hostility between China and Vietnam has been at the heart of the problem. The recent talks between the two sides in Beijing were promising.

The issue now is whether Cambodia should be governed by an administration beholden to Hanoi. Vietnam has indicated a provisional willingness to withdraw its occupying forces by September. But questions over the composition and political complexion of the next government in Phnom Penh could obstruct a settlement.

Vietnam's Communist leaders have long argued that the countries of Indochina constituted a strategic unity, and that Vietnamese independence was tied to political conditions in Laos and Cambodia. Hanoi's view was reinforced when the Khmer Rouge regime launched murderous incursions into Vietnam in the late 1970s.

Hanoi saw those attacks as being inspired by China. And when Vietnam invaded Cambodia in December 1978, its intent was to transform that country from a bridgehead of aggression into a security zone.

Hanoi's conviction about the strategic importance of Cambodia has not been lessened, despite the current show of diplomatic flexibility. Vietnam is determined not to allow any change in the nature of the Phnom Penh government that might subvert the special relationship imposed in the '70s. Hanoi has said it will withdraw its forces from Cambodia by September if there is a negotiated settlement or by the end of 1990 if there is none — but this is tied to perpetuating the political status quo in Phnom Penh.

Beijing, however, does not want a Vietnam-installed regime in Cambodia.

A political settlement in Cambodia requires a viable power-sharing formula. The critical challenge in reaching a settlement will be to find a formula that protects Vietnam's security interests while removing Cambodia from its political control, thereby placating China. The task will not be easy.

— Michael Leifer, an Asian specialist who teaches at the London School of Economics and Political Science, writing for the International Herald Tribune.

Solzhenitsyn Remains a Litmus Test

By Alexander MacLeod

LONDON — The Polish literary weekly Zycie Literackie plans to serialize Alexander Solzhenitsyn's novel "The First Circle," Warsaw Radio has announced. But the boldness being shown by the authorities in Poland serves only to underline the shortcomings of the open "information society" Mikhail Gorbachev is trying to create in the Soviet Union.

It seems that the exploits of the nymphet Lolita and her aging lover Humbert Humbert, chronicled by Vladimir Nabokov, may at last be published in Moscow. George Orwell's "Animal Farm," which Stalin personally banned, and Arthur Koestler's "Darkness at Noon," another devastating critique of communist dictatorship, are both now available to Soviet readers. But the works of the exiled Solzhenitsyn? Nyet.

On the eve of Mr. Solzhenitsyn's 70th birthday, which he celebrated shortly before Christmas at his estate in Vermont, the Politburo's chief ideologist, Vadim Medvedev, said that publication of such works as "The First Circle," "Cancer Ward" and "The Gulag Archipelago" would "undermine the foundations on which today's life rests."

The hostility with which the Nobel prize winner is still viewed in the Kremlin may seem odd. It is now fashionable in Russia to denigrate Stalin, and Mr. Solzhenitsyn attacked the dictator and his works with comprehensive rigour. It has even been possible for a group of Western journalists to travel to the Gulag and see for themselves what remains of the prison camps Mr. Solzhenitsyn described.

When Mr. Medvedev was placed in charge of ideology in September it seemed possible that the authorities might finally allow Mr. Solzhenitsyn's works to be published — it was an ultimate litmus test of glasnost. In August, the literary magazine Novy Mir, which in 1962 had arranged the publication in Russia of Mr. Solzhenitsyn's novella, "One Day in the Life of Ivan Denisovich," raised the possibility of printing "Cancer Ward" and "The First Circle."

But last October, when Novy Mir decided to publicize this intention in its own pages, more than one million copies were pulped on Kremlin orders. A month later, with glasnost-minded intellectuals calling for Mr. Solzhenitsyn to be rehabilitated and perhaps even invited home, Mr. Medvedev put his foot down.

His key charge is that Mr. Solzhenitsyn's works "radically contradict our ideas about Vladimir Ilyich Lenin," the man who led the revolution and whom the current Kremlin leadership insists on regarding as a saint.

It is bad enough that in "Lenin in Zurich" Mr. Solzhenitsyn depicts the exiled Bolshevik leader as a friendless, scheming bigot. What is worse, in Mr. Medvedev's eyes, is that Mr. Solzhenitsyn says in "The Gulag Archipelago" that it was Lenin, not Stalin, who laid the groundwork for the system of forced penal camps, which Stalin later "perfected." This tars Lenin, on whose wisdom Mr. Gorbachev rests much of his case for glasnost and perestroika, with a Stalinist brush.

If Mr. Gorbachev's admonitions to stare unwelcome historical facts in the eye were genuine, it ought to be possible to publish these criticisms of Lenin. Instead, the Solzhenitsyn case illustrates the limits Mr. Gorbachev feels he must impose on openness. It is one thing to authorize the posthumous rehabilitation of Grigori Zinoviev, one of Lenin's closest associates who later fell victim to Stalin. But Solzhenitsyn is something else.

Asked in November to describe the impact of glasnost on his work, the chief Soviet press censor, Vladimir Boldyrev, whose "Glavlit" directorate is still very much in business, was disarmingly frank: "Information that reveals a state secret or that could be detrimental to our country's interests is forbidden," he said. "As for the rest, the formula is: Whatever is not forbidden is allowed."

So, if the Kremlin sees nothing wrong with chronicling the libidinous life of Humbert Humbert, the presses can roll. And if the Poles want to publish a Solzhenitsyn book about forced labor under Stalin, nothing can be done to prevent them. But if any Soviet publisher wants to dabble in the works of Russia's greatest living novelist, nothing doing. He has cast aspersions on the founder of Bolshevism, and he and his works must remain in the outer darkness.

The writer is a contributing editor for the British Broadcasting Corp. in London. He wrote this for the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1889: The London Herald

LONDON — The New York Herald was printed simultaneously in three of the great capitals of the world this morning [Feb. 2]. The success of the London Edition is beyond the most sanguine predictions. At first, it was proposed to print only a four page daily, like the Paris Herald, but the instant demand for advertising space in the London Herald made it necessary to increase the size to eight pages. Even with this enlargement, several columns were crowded out of the first issue. The first edition was sold out before breakfast. Two perfecting presses, run by adequate steam power, turn out a well printed newspaper. The London Edition is the only newspaper in Great Britain published every day in the week.

1914: Anarchy in Haiti

NEW YORK — The Herald's Cap Haitien correspondent cables: "The armies of rival insurgent leaders are engaged in heavy fighting at Gonaives. General Desormes is said to have taken refuge in one of the Consulates. General Zamor has the support of the capital's military element. The Republic is entirely without a Government."

1939: 'Finnegans Wake'

PARIS — The title of the book James Joyce has been working on since the publication of his "Ulysses," in 1922, was disclosed to be "Finnegans Wake" last night [Feb. 2], when the first copy of it was handed around during a birthday party given in his honor at the home of his son and daughter-in-law. This is the revolutionary opus of which many sections have been published separately under the provisional title of "Work in Progress." The book's title had been a jealously-guarded secret unknown even to the author's most intimate friends. Table decorations at the party were based on the theme of the book, a cosmogonic fantasy set in Dublin and along the River Liffey.

OPINION

The Case of the Defector Put the Lie to the Detector

By William Safire

WASHINGTON — From 1977 through 1987, from the time of Stansfield Turner through the heyday of William Casey, the CIA was super-secretly proud of its network of Cuban agents in Havana and in Fidel Castro's embassies around the world.

Here was the much-needed "humint," or human intelligence, from agents in the field, secretly working for the United States. American spymasters were delighted with the sources not only because they were cost-effective ($10,000 a year on average) but because they were considered rock-solid reliable.

Why? Agency polygraph operators had given their seal of approval to the key agents. Fidel Castro's officials, working for the United States, were "flurtered" and had been certified as truth-tellers. Accordingly, their reports, especially when they had been specifically "tasked" by CIA control officers, were given great weight in evaluations of Cuban, Nicaraguan and Soviet strength.

U.S. security was undermined by crackbrained reliance on the infallibility of a machine that measures sweat.

Then along came Major Florentino Azpillaga, who had been chief of intelligence in the Cuban Embassy in Prague. He defected to the United States, and established his bona fides with a shocker: an accurate list of the names of many of the spies, supposedly working for America, who were actually Castro double agents.

For more than a decade the United States had been duped by disinformation, much of it selected by the KGB, fed to the CIA by Cubans loyal to Mr. Castro who had earned America's trust by passing the vaunted polygraph tests.

Small wonder that the assessment of General Manuel Antonio Noriega of Panama and the low estimate of the percentage of Soviet GNP devoted to arms were so egregiously wrong. America's national security was undermined by a crackbrained reliance on the infallibility of a machine that measures sweat.

In the Reagan administration, George Shultz was the man who valiantly resisted the use of the "lie detector." He threatened to resign if forced to submit to the engine of mistrust, and privately cited the Azpillaga defection as proof of its danger to security. The secretary of state included these words in his farewell: "Management through fear and intimidation is not the way to promote honesty and protect security."

His last act in Foggy Bottom, dated Jan. 19, was to issue what he thought was a policy to safeguard individual rights in the use of the polygraph at State. He intended to limit its use to criminal investigations, and to prevent its use in the screening of employees. But he was misled or ill served by his own bureaucracy.

Background: the polygraph virus, begun at CIA and incubated at the Pentagon by Caspar Weinberger, spread to the House Foreign Affairs Committee, where a law was born directing the State Department to polygraph the Diplomatic Security Service. That covered 1,700 guards and anti-terrorist operatives who often work intimately with the CIA. But the Parthian shot of Jan. 19 extended that threat to all 18,000 State Department employees, plus 17,081 people who work for contractors and 15,153 Foreign Service nationals.

Here is paragraph 2 (b), which rapes the rights of Americans who apply for top-secret (which is medium-level, not even "sensitive") clearance: "The use of the polygraph may be authorized ... when credible derogatory information developed in connection with a personal security investigation ... causes substantial doubt whether access ... is clearly consistent with the interests of national security."

That is using the polygraph to screen — precisely what George Shultz said he was against, and what private employers have just been rightly prevented from doing. That has nothing to do with a criminal investigation.

If you are being considered for a diplomatic mission, and any personal enemy says about you "he's a pinko" or "she's a Fascist," you can expect to come under intense pressure to take a polygraph test or else. Never mind how high-minded lawyers today interpret "credible derogatory information"; anybody who knows how bureaucracies work realizes that the floodgates are now open at State.

Automatic mistrust of the individual is now institutionalized in the U.S. government. This means that people of principle (like George Shultz) who will not submit to the sweat merchants cannot serve their country. It also means that double agents like those on Major Azpillaga's list, who regularly fool the polygraphers, will continue to be given great credibility at CIA.

"This extreme interpretation was not the intent of Congress," says Representative Mervyn Dymally, Democrat of California. "There will be oversight." Better yet — correct the Shultz mistake.

The New York Times.

The Pits

LETTERS TO THE EDITOR

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Well Off and Still Whining

Regarding "Something's Gone Terribly Wrong With Being 'Rich' " (Opinion, Jan. 7) by Paul S. Hewitt:

The opinion column might have been more appropriately titled "What's Wrong With American Attitudes in the Reagan Era." A homeowner in his mid-30s with a combined family income of $115,000 whining about his financial situation is disgraceful.

Mr. Hewitt writes of senior citizens and veterans "who have obtained subsidies at my expense" — as though neither group had earned those subsidies. He threatens petulantly to "gravitate to the Republican Party" because of its "compassion" for the middle class and its understanding of what the author identifies as generational inequality. He might as well be saying that there are too many old people.

Such absence of civic responsibility is chilling. Although he denies it, Mr. Hewitt is, by American standards, rich. By world standards, he is Croesus. But by any standards of social conscience and simple heart, this person is wallowing in direst poverty.

JOHN STRAND.
Paris.

The writer evidently swells with rage because his father's Social Security tax in 1958 was about $500 on an income of about $6,000, while he and his wife now pay around $12,000 on an income of around $115,000. Assuming his figures are accurate, his father's tax rate was a fraction above 8 percent while his current rate is a fraction above 10 percent.

Considering all that has happened since 1958, this seems a remarkably modest increase. Would paying at his father's 1958 rate while retaining his 1989 income satisfy him? I doubt it, since even then he would be paying close to $10,000. What stands out is Mr. Hewitt's determination not to provide *anything* that might benefit someone other than himself and fellow occupants of his age and income bracket.

HOWARD MORGAN.
Alicante, Spain.

Racial Bias in Beijing

As a foreign student learning Chinese at the Beijing Language Institute, I would like to amplify on the situation described by Nicholas D. Kristof in his report "Students in Beijing Join Protest" (Jan. 4). The entire foreign student community in Beijing, not just Africans, is subject to racism.

Prices are raised when Caucasian students seek to purchase goods and services because whites are assumed to be wealthy, a mild form of racism. For black African students, the dilemma is twofold. They are frequently denied access to such goods, and especially services, not only because of their race, but because they are thought not to have money. This situation is exacerbated by occasional (I fear growing) racially motivated violent incidents. Neither side is completely innocent, but one should not stigmatize the African students in China by the criminal action of a few who should be removed and punished. The overwhelming majority are friendly, forthright, conscientious students.

It should be noted that the Africans here stay as long as five years without returning home. They have little recourse but to seek female companionship among other foreigners and Chinese women.

Unfortunately there are problems with foreigners making contact with Chinese people, at least on the Beijing Language Institute campus. Ostensibly for our protection, there are highly restrictive procedures (limited hours, intimidating scrutiny) which inhibit a lot of Chinese and non-Chinese from learning about one another.

The language institute is a marvelous school. It is truly a place where people from all over the world meet. The irony is that it excludes many of the very people hosting us, whom we seek to know and whose language we struggle to learn.

[Name Withheld].
Beijing.

In response to "China: Black Isn't Beautiful, and It Isn't Pretty" (Opinion, Jan. 27) by Gao Yuan:

The article regarding color consciousness in China is equally applicable to the other countries of Asia.

As a native of India, I find it unfortunate that matrimonial columns in local Indian newspapers reflect a demand for brides of a certain color. The complexion of a prospective bride is denoted by several words depicting a whole hierarchy of fairness, and it is a common practice to advertise the skin color as being of the next "higher" denomination.

In South Korea, I was told that the visits of some Japanese tourists were motivated by the fairer complexion of Korean women. And, in a particularly deplorable trend, "whites only" bars are springing up in tourist centers such as Bangkok and Pattaya, Thailand.

No one can help the Third World regain self-respect if its people remain bound to the shackles of inferiority based solely on the pallor of the skin.

M. K. AGARWAL.
Paris.

There's Little to Celebrate, But That Won't Stop Brazil

By John Foy

RIO DE JANEIRO — They stood around for an hour Christmas Eve in the muddy parking lot. They were waiting for the priest, who was to celebrate midnight Mass at the chapel of Brejal, a town in the mountains northwest of Rio.

The priest never showed up. So the group of about 60 people, in true Brazilian style, improvised. They sang along

MEANWHILE

with old tape-recordings of carols, recited prayers, then lined up to kneel before a figure of the infant Christ, which had been handily removed from the nativity scene and placed on the altar with flowers. Two boys rang the chapel's bell.

So began the summer celebrations in Brazil. Despite hyperinflation, the slaying of an environmentalist in the Amazon, natural disasters, suspected venality among navy personnel and austerity measures promised for the new year by President José Sarney, the festival continued. It is to culminate at the end of the annual Carnival, held nationwide Feb. 4-7.

The day after Christmas, 2,000 people gathered in the Amazon village of Xapuri, in the northwestern state of Acre, for the funeral of Francisco Mendes Filho, the Brazilian back-country trade unionist and environmentalist who had been campaigning against deforestation of the Amazon by landowners. Mr. Mendes was shot and killed Dec. 22. A local rancher has been indicted as an instigator of the killing, and a manhunt is continuing for other suspects.

While the Mendes funeral was in progress, workers on the beach at Copacabana, 4,300 kilometers (2,700 miles) away, were assembling a giant outdoor stage where leading musicians would play nightly through Dec. 30, firing up the beach with bossa nova, samba and rock — for free.

On Friday, Dec. 30, Rio's business district was awash with revelers, confetti and contingents of various Rio samba schools testing their Carnival energy.

Next day, the last of 1988, an estimated 600 tons of rock fell on the Juiz de Fora highway, the main road north from Rio to Belo Horizonte and one of Brazil's most modern highways. No one was killed, but transportation officials said it would take 30 days to clear away the boulders. During the day, 17 people were killed in crimes in Rio's suburbs.

That night, two million revelers on the beach at Copacabana witnessed 20 tons of fireworks brightening the sky for 10 minutes. Among them were thousands of followers of Macumba, the Afro-Brazilian nature religion. The *Umbandistas*, as they are known in Portuguese, performed their traditional year-end rites, which include throwing white flowers into the surf at midnight as offerings to Iemanjá, an ocean goddess.

During the New Year's celebrations, an overloaded tourist boat, carrying 123 partygoers, sank off Copacabana beach. At least 53 people drowned.

The accident caused outrage in Brazil because of what was said to be flagrant negligence of navy and harbor officials, because many of the victims were members of Brazilian high society — they included an actress, Yara Amaral, and the wife of a former planning minister — and because boats nearby had refused assistance as they sped past to see the fireworks display.

Survivors said that the boat was allowed to sail after two navy officers were paid a bribe equivalent to $120. The navy minister, Admiral Henrique Saboia, refused responsibility and rejected a police inquiry, saying that only a navy tribunal could establish blame.

Fernando de Amorim Barros, 54, an engineer and land owner from Rio, thought the tragedy was typical of his country's ills.

"The accident reflects the Brazilian situation right now," he said. "Everyone wants to take advantage and bend the rules. There were several groups responsible and now they are trying to cover up for each other. It's the same old story of corruption and wanting to squeeze out as much profit as possible. The press has blown it up only because important Brazilians have died."

On Jan. 1, the government increased gasoline, diesel and alcohol fuel prices by 24.5 percent. Two days later, it raised the price of coffee by 75.6 percent and canned tomato sauce by 82 percent.

Then President Sarney announced that new austerity measures would be imposed. After yet another set of price hikes, Brazilians awoke Jan. 15 to an indefinite price and wage freeze and a 17 percent devaluation of the cruzado. The national press, mixing playfulness with exasperation, dubbed Mr. Sarney's measures the "Summer Plan."

The finance minister, Mailson Ferreira da Nobrega, called the plan the harshest economic corrective ever applied at one time.

"Brazilians are very passive," said Mr. Barros. "With 2,000 percent inflation per year, there'd be a revolution in any other country. But in Brazil, people just keep making provisions, trying to buy more in the supermarket before the next price hikes."

He added: "Brazilians always think their situation can get no worse, that they can't get any lower. Then the situation gets worse."

The situation will be worse for 60,000 people to be cut from the public payroll under the Summer Plan. Four government ministries and 42 state-subsidized companies are to be eliminated.

Meanwhile, many Brazilians have their minds set on the Carnival, four famous days of commotion and frenzy. As always, there will be music, dancing and collective purgation.

If there is little to celebrate in Brazil right now, there is, at least, plenty to forget.

International Herald Tribune.

GENERAL NEWS

Palestinian Amused By Israelis' Praise

By Joel Brinkley
New York Times Service

JERUSALEM — If some in the Israeli government see Faisal Husseini, a Palestinian nationalist, as a bright new hope, he says they had better think again.

In fact, Mr. Husseini is angry. He feels used.

"I don't like it," he said Wednesday. "It's not good for me."

From the moment Sunday when Mr. Husseini was let out of prison, where he had spent 18 of the past 21 months, accused of organizing unrest on behalf of the Palestine Liberation Organization, Israeli government leaders have promoted him as a legitimate local Palestinian leader, someone they could talk to in place of Yasser Arafat, the PLO chairman.

Mr. Husseini, 49, ran the Arab Studies Society, a Palestinian nationalist research organization in East Jerusalem, until the Israelis closed the offices last summer and put him in prison.

Mr. Husseini is also the best-known PLO figure in the occupied territories. And after calling him a leading promoter of terrorism when they put him jail, the authorities are now trying to rehabilitate him in the public eye.

They are presenting him as a leading moderate, just what the United States called him when it objected to his imprisonment last summer.

At the time of his arrest, Police Minister Haim Bar-Lev called him "one of the leading coordinators of the uprising" in the West Bank and Gaza Strip.

But on Tuesday, Defense Minister Yitzhak Rabin, who authorized Mr. Husseini's release, asserted that, in reality, Mr. Husseini was not a violent man.

He was arrested because "his activities were likely to lead to violence," Mr. Rabin said, "not necessarily because he was directly connected to violent activities."

Mr. Husseini says he has been following with amusement the reports in the Israeli press saying he will now be allowed freedom of movement, here and abroad, with little if any scrutiny from the Israeli authorities.

He says he is not sure he wants to test the Israelis' benevolence, though when he was released, he said, "they said I was free and could go wherever I liked."

Newspaper editorials have been a chorus of agreement with Mr. Rabin's plan to create an alternative to Mr. Arafat.

Releasing and promoting Mr. Husseini "constitutes a signal that flashes with great clarity in the right direction," the daily Yedioth Aharonoth said.

But Mr. Husseini says the Israelis are just fooling themselves.

"It's a desperate attempt to create an alternative to the PLO in the occupied territories," he said. "It will just delay the peace process."

If the Israelis want peace negotiations, he said, "they must talk to the PLO." He added, "They will."

And rather than help Israel create a local leadership to replace the PLO, Mr. Husseini says, his mission now is to tell as many Israelis as he can that the only way they will find peace is to invite Mr. Arafat and other PLO leaders to talks.

Toward that end he is accepting meetings, interviews and speaking engagements by the dozen.

Jim Hollander/Reuters

Faisal Husseini, after his recent release from jail.

PLO Is Said to Form Army in Israel

Secret Force Reportedly Helped Organize the Uprising

By David B. Ottaway
Washington Post Service

WASHINGTON — Yasser Arafat's faction of the Palestine Liberation Organization has largely ended its cross-border attacks on Israel from Lebanon but has created an underground "Popular Army" inside Israel and the Israeli-occupied territories to carry out terrorist activities, according to an Israeli source.

The source said Mr. Arafat's Fatah faction had set up the clandestine "army" in early January, making use of elements from the banned Palestinian Shabiba, or youth movement. The movement has been involved in organizing the uprising on the West Bank and in the Gaza Strip, the source said.

The underground army has been involved in assassinations of Palestinians accused of collaborating with Israeli authorities or who refuse to follow orders from the uprising's leaders, the source said Wednesday, adding that the group had attacked some Israelis as well. It also was involved in setting explosives and making gasoline bombs, the source said.

U.S. officials said they had "heard the name" of the group, but knew "nothing substantial" about it.

But the Israeli source said the number of terrorist incidents of this kind, as distinct from the stone throwing and fire bombing by Palestinian youths, had increased in the past month to six weeks.

The group is "organized, directed, led and financed" by Fatah, he charged, adding, "We known for sure it's an extension of Fatah-Arafat."

However, U.S. officials said they could not confirm there had been an increase of terrorist activities.

The Israeli source, who insisted on anonymity, said Israeli intelligence believes Mr. Arafat, the PLO chairman, set up the underground force to get around the ban on terrorism imposed upon the PLO as a condition for its dialogue with the United States.

Mr. Arafat formally renounced terrorism in a Dec. 14 statement, which led to a U.S. decision to open direct talks with the PLO. But the issue of whether the PLO is still involved in terrorism has become a heated one. Many Israeli government officials and pro-Israeli U.S. groups have charged that Fatah has not changed its methods.

In mid-January, The New York Times reported that the Israeli Army chief of staff, Lieutenant General Dan Shomron, had told a Knesset committee that Fatah had not planned or carried out any guerrilla acts since November.

The Israeli source, seeking to clarify General Shomron's comments, said Wednesday this was true of Fatah cross-border activities but not of its internal ones.

He said the Popular Army was established Jan. 6 but had existed under another name, the Assault Groups, before that date and had grown out of Shabiba, known to be close to Fatah.

13 Die in Bangladesh In Train Derailment

DHAKA, Bangladesh (AP) — Three cars of a train derailed Thursday in southern Bangladesh, killing 13 persons and injuring about 70, a railroad official said.

The train derailed near Kumira, 25 kilometers (15 miles) north of Chittagong. It was bound for Dhaka, 220 kilometers northeast of Chittagong. The cause of the derailment was not known.

Prisoner Says Paris Made Hostage Deal

By Edward Cody
Washington Post Service

PARIS — From the obscurity of his jail cell, Anis Naccache returned to haunt France and Iran on Thursday with an assertion that his release was promised as part of a murky deal last spring that freed the French hostages in Lebanon.

Mr. Naccache, a Lebanese sentenced to life imprisonment for trying to kill a former Iranian prime minister, Shahpour Bakhtiar, called on the Iranian government to force France to abide by what he said was an unfulfilled pledge to pardon him.

The promise, he asserted, was among several made when Iran helped France win freedom for the last three French captives — Marcel Carton and Marcel Fontaine, both diplomats, and Jean-Paul Kauffman, a journalist.

Mr. Naccache's plea for help, in a letter made public by his lawyer, came at a distinctly inopportune time for Paris and Tehran, recalling a past both would like to forget just as Foreign Minister Roland Dumas prepares to seal their renewed relations with a visit to Iran on Sunday and Monday. Neither the Foreign Ministry nor the presidential palace had any comment.

When Mr. Carton, Mr. Fontaine and Mr. Kauffman returned home on May 5, several reports said Mr. Naccache's pardon was part of the secret bargain negotiated by Charles Pasqua, who was then the interior minister.

But when he took over two weeks later, Prime Minister Michel Rocard said that Mr. Pasqua had left no record of the deal and that the new government would carry out only the obligations it was aware of — renewed diplomatic and commercial ties.

Mr. Pasqua said immediately after the hostages' release that a promise to free Mr. Naccache had not been made part of the bargain "on our part or on our initiative."

That was interpreted at the time as a reference to President François Mitterrand's guarded public pledge in 1986 to consider freeing Mr. Naccache if all French hostages were released at once and if he was asked to do so in writing by the prime minister.

As things turned out, the French hostages held at that time were released in several groups. The prime minister then, Jacques Chirac, was replaced by Mr. Rocard as a result of elections three days after the final three hostages were freed.

Mr. Naccache was convicted in 1982 of leading a five-man team that tried to assassinate Mr. Bakhtiar, the shah of Iran's final prime minister, outside his home in the Paris suburb of Neuilly in 1980. He and three of his team were sentenced to life in prison by French courts, and a fifth team member received a 20-year sentence.

A woman and a French policeman were killed and three policemen were wounded during the shooting, but Mr. Bakhtiar escaped unhurt. He still resides in the Paris area.

Mr. Naccache reportedly acted on orders from the Iranian government, which had taken power only a year earlier and was seeking revenge against the shah, his family and his followers. The speaker of the Iranian parliament, Hashemi Rafsanjani, referred to Mr. Naccache then as a soldier of Islam and lamented the fact he was in a French prison.

Since then, however, Iran and France have renewed diplomatic relations, and Tehran is seeking to end its isolation among Western countries now that the eight-year war with Iraq is over. As part of its shift in policy, the Iranian government has sought to play down earlier attempts to export the Islamic revolution in which zealots like Mr. Naccache were enlisted.

Afghan Guerrillas Get U.S. Training On Mine Clearing

The Associated Press

WASHINGTON — The United States, at the request of the United Nations, has dispatched a small team of military experts to Pakistan to instruct Afghan guerrillas and refugees in clearing land mines, officials said.

The U.S. team, consisting of about 30 trainers and support staff, will work with Afghan rebels and refugees in camps on the Pakistani side of the border, the officials said.

Lieutenant Colonel Keith Schneider, a spokesman, said that the U.S. team would remain in Pakistan for about six months in support of a UN command structure.

According to the Defense Department, the Soviets have scattered an estimated 10 to 30 million land mines across Afghanistan during the past nine years of fighting.

ASIAN TOPICS

Asia Is Ushering In Year of the Snake

Asia ushers in the Year of the Snake on Monday. Lunar years in the Chinese zodiac come in cycles of 12, each with different characteristics and a different animal as its symbol. The Snake takes over from the financially auspicious Dragon, and people born under the snake's influence can be expected to be cautious, persevering and wise.

But astrologers warn that beneath the Snake's composed exterior lurks inner turbulence and a readiness to strike — a complex package with mixed signals for fortune-tellers looking to almanacs, divining sticks and even the moon to predict the year ahead, Reuters reports from Hong Kong.

The Year of the Snake is not auspicious for marriage and babies. Population-planners in Beijing are expected to have a respite after last year's rush to give birth in the Year of the Dragon, a symbol of power and wealth to the Chinese.

Officials in Singapore, worried that the Year of the Snake could foil a government campaign urging couples to have more children, have moved to dispel superstition by publicizing the names of famous people born under the sign of the snake.

Around Asia

The Philippines may soon find itself importing fish because destructive fishing methods, including the use of cyanide, have damaged nearly three-quarters of the country's coral reefs, Agriculture Secretary Carlos Dominguez said Thursday. The Philippines, with 7,100 islands and a coastline longer than that of the United States, has traditionally been self-sufficient in seafood, and exports some of its output.

The gap between blue and white collar incomes in China is growing, Beijing's Economic Daily says. Blue-collar workers earned an average 1,572 yuan ($422) last year, 97 yuan more than white collar workers. The newspaper said blue collar wages are linked to productivity, while those of civil servants, doctors and teachers are not.

An elephant donated by Prime Minister Rajiv Gandhi of India is to take over the task of carrying Buddha's tooth at the annual pageant in the Sri Lankan city of Kandy. Indiraja, named after Mr. Ghandi's mother, Indira Gandhi, is 13 years old and weighs 4,884 pounds (2,200 kilograms). He is to succeed Raja, who served for half a century before dying last year at the age of 82.

Malaysia plans to send a delegation to the United States to try to ease concerns over palm oil, a major export. Evidence that such saturated oils as palm oil and coconut oil increase blood cholesterol, which causes heart disease, has prompted campaigns against using such fats in processed foods. Malaysian officials say their own research shows that palm oil is no more harmful than other vegetable oils. They say U.S. imports totaled 147,000 tons in January-October 1988, down from 157,000 tons a year earlier. Malaysia's annual production last year reached a record 5.03 million tons. Officials said that not challenging the anti-palm oil campaign in the United States could affect larger markets, such as India.

Trekkers Accused Of Spoiling Tribes

Thousands of foreign trekkers are scouring northern Thailand for unspoiled tribal people, Denis D. Gray of The Associated Press reports from Chiang Mai. Critics say this is turning the region into "a human zoo."

Villagers are selling their colorful costumes and jewelry or exchanging them for jeans and other Western goods.

"Their traditional hospitality has been corrupted," said David Morse, an American missionary. "Before they would offer food and lodging to strangers. Now they no longer accept people for who they are. They have become hardened, less open."

The government tourist authority says visits to tribal lands has grown from a handful of hikers in the 1970s to more than 100,000 last year.

"Padaung hill tribes now available," reads a typical advertisement, but some who sign up are in for a disappointment. After a long walk through deforested hills, trekkers may well come upon a village where the natives watch television, drive Japanese pick-up trucks and wear jeans purchased from previous visitors.

Arthur Higbee

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PanAm	58588	3¾	3½	3½	+ ⅛
RJR Nb	35237	98⅛	97¾	97¾	− ⅜
Varity	25812	3¼	2⅞	3⅛	
CMS En	21584	24½	23	24	+ ½
SmkBck	19917	52⅛	50⅝	51⅞	−1
Chrysl	19886	29⅛	28¼	28½	− ⅜
WiscEn	19677	26	25⅝	25¾	− ¼
AT&T	19119	32⅛	31¾	32	− ⅛
Digital	17964	122⅞	120	121⅞	+1⅞
IBM	16971	129⅛	127⅞	128⅛	− ⅛
Texaco	16747	50⅞	50	50⅛	− ⅜
PrimeC	16665	21	19⅞	20⅞	+ ¾
Valero	14341	12⅝	11½	11⅞	+ ⅜
FordM	14095	55½	54⅞	55⅛	
Navistr	12355	6	5¾	6	+ ⅛

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	89.49	Unch.
Utilities	89.43	Unch.
Industrials	89.55	−0.01

Market Sales

NYSE 4 p.m. volume	183,430,000
NYSE prev. cons. close	253,825,430
Amex 4 p.m. volume	11,042,900
Amex prev. cons. close	12,820,000
OTC 4 p.m. volume	162,793,000
OTC prev. 4 p.m. volume	152,894,100
NYSE volume up	91,146,000
NYSE volume down	65,324,800
Amex volume up	11,078,820
Amex volume down	3,154,600
OTC volume up	75,855,514
OTC volume down	37,362,428

NYSE Diary

	Close	Prev.
Advanced	770	753
Declined	662	717
Unchanged	536	518
Total Issues	1968	1988
New Highs	92	120
New Lows	5	14

NYSE Index

	High	Low	Close	Ch'ge
Composite	166.84	165.95	166.35	−0.12
Industrials	202.82	201.59	202.06	−0.14
Transp.	163.59	162.08	163.44	+1.08
Utilities	78.13	77.85	77.99	−0.17
Finance	137.38	136.76	137.12	−0.04

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
Feb. 1	298,046	758,778	14,111
Jan. 31	371,074	669,827	3,109
Jan. 30	391,453	719,163	5,186
Jan. 27	348,855	813,797	15,890
Jan. 26	249,734	596,442	23,219

*Included in the sales figures

Thursday's NYSE Closing

Via The Associated Press

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2340.36	2352.86	2319.64	2333.75	− 4.46
Trans	1073.28	1083.66	1064.85	1076.85	+ 4.16
Util	189.84	190.85	188.83	189.96	+ 0.42
Comp	890.38	896.24	883.19	889.87	+ 0.77

AMEX Diary

	Close	Prev.
Advanced	264	297
Declined	268	275
Unchanged	295	285
Total Issues	827	857
New Highs	36	51
New Lows	5	13

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	345.13	342.48	343.62	−0.25
Transp.	251.53	248.69	251.04	+1.33
Utilities	118.01	117.25	117.45	−0.41
Finance	26.74	26.53	26.67	−0.01
SP 500	297.92	295.81	296.84	−0.25
SP 100	285.39	282.95	283.99	−0.69

NASDAQ Index

	Close	Ch'ge	Week Ago	Month Ago
Composite	405.16	+1.93	397.09	382.76
Industrials	401.48	+2.34	393.04	380.83
Finance	479.62	+2.14	470.76	459.42
Banks	452.55	−0.77	451.89	438.20
Insurance	456.98	+1.60	452.10	427.81
Utilities	556.94	+2.54	541.90	503.53
Transp.	434.89	+0.48	426.58	399.05

NASDAQ Diary

	Close	Prev.
Advanced	1,097	1,103
Declined	905	947
Unchanged	n.a.	2,446
Total Issues	n.a.	4,496

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	49563	10	9⅝	10	+ ⅝
TIE	5687	1½	1⅜	1½	− ⅛
Amdhl s	4738	20½	19⅝	20⅛	+ ⅛
FruitL	4138	7⅛	6⅞	7⅛	+ ⅛
TexAir	3935	14⅞	14⅜	14½	− ⅛
Media	3927	37	35¾	36⅜	+1⅝
IntTich	3912	8½	7⅝	8⅛	+ ⅛
Crosby	3217	9⅝	9¼	9½	
BAT	2861	9⅝	9⅝	9⅝	
DataPd	2549	14⅜	14¼	14⅜	
OBrien	2535	6⅝	5⅝	6⅛	+ ⅛
CrystO	2190	2⅞	2⅞	2⅞	+ ⅛
GlobNR	1649	5⅝	5⅛	5⅝	+ ⅛
EchoBy	1646	14⅝	14¼	14½	+ ¼
MagmC	1415	8¼	7⅞	8	− ⅛

AMEX Stock Index

High	Low	Close	Ch'ge
324.56	323.21	324.52	+1.28

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed in Active Trading

United Press International

NEW YORK — Prices were mixed at the close of the New York Stock Exchange Thursday in active trading, pressured by profit taking as investors became cautious before the release Friday of January employment figures.

The Dow Jones industrial average, which had fallen 4.11 points Wednesday, declined 4.46, to close at 2,333.75.

Broader market indicators also tumbled. The New York Stock Exchange index fell 0.12 to close at 166.35. Standard & Poor's 500-stock index eased 0.25 to 296.84. The price of an average share dropped 3 cents.

Advances led declines, however, by a 7-6 margin, and the key indicators for the American Stock Exchange and the over-the-counter market were higher.

Volume fell to 183.43 million shares from 215.64 million traded on Wednesday.

Analysts said the market suffered from profit taking, as it did earlier this week, yet buying interest among institutions remained strong.

"The market's upside bias is still very much intact," said Eugene Peroni Jr., chief market analyst at Janney Montgomery Scott Inc. in Philadelphia. "What we're seeing is a normal policing of recent excesses."

Stocks traded in seesaw fashion, opening slightly higher, moving broadly lower around midmorning and then gradually recovering through 2 P.M. In late afternoon trading, however, blue chips weakened amid profit taking while many secondary issues held onto their gains through the close.

The market "is irrepressible," said Larry Wachtel, market analyst at Prudential-Bache Securities Inc. "Each day we go down, and before you know it we're up again."

Mr. Wachtel said price dips over the last few days have given institutions with large cash reserves an affordable opportunity to jump into the market, especially those that have not taken part in the recent rally.

But Mr. Wachtel said investors were concerned about a meeting among representatives of the Group of Seven major industrial nations Thursday night, which could influence the direction of the dollar, and a report due Friday on January employment figures, which were expected to be strong.

Pan Am was the most active NYSE issue, up ⅛ to 3½.

RJR Nabisco followed, off ⅜ to 97¾. Varity was third, up ⅛ to 3⅛.

AT&T eased ⅛ to 32. IBM ex-dividend fell ⅛ to 128⅛.

Among other blue chips, American Express fell ⅜ to 30¾, General Motors fell ¾ to 90⅞, McDonald's fell ¼ to 52¼, Procter & Gamble fell ¼ to 91½ and General Electric fell ⅛ to 48⅛.

Prices closed higher in active trading of American Stock Exchange issues.

The American Stock Exchange index rose 1.28 to 324.52, its highest close since the October 1987 stock market collapse. The price of an average share added 5 cents. Advances led declines by a small margin. Volume fell to 17.37 million shares from 12.82 million traded on Wednesday.

Wang Labs class B led the Amex issues, up ⅝ to 10⅛.

The National Association of Securities Dealers composite index rose 1.93 to close at 495.16.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

(Continued on Page 10)

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International Herald Tribune

WEEKEND

❑ *Wanted: Male Dancers*
❑ *O'Neill in French*
❑ *Arts Guide*

150 Years Ago, The World Saw Its Own Image

Daguerre Invention Slowly Recorded the Victorian Age

by Barry James

THE art of photography effectively began 150 years ago with the announcement that a French artist called Louis-Jacques-Mandé Daguerre had succeeded in producing a stable image using nothing but "the spontaneous action of light."

The daguerréotype, forerunner of the modern photograph, was the fruit of cooperation between Daguerre and an amateur inventor named Joseph-Nicéphore Niepce, who was the first to capture a "heliographic" image using a combination of sunlight and chemical fixatives.

Daguerre improved on Niepce's invention to devise the process that became the supreme recorder of images in the Victorian age.

Mustachioed paterfamilias and proud matrons sat grimly with whitened faces, holding their breaths for up to 40 seconds while the daguerréotype's lens captured their portraits for posterity.

Within months of the announcement of the invention, travelers were bringing back to Paris images of monuments in Greece, Egypt and elsewhere, which were published in two volumes of "Excursions daguerriennes" between 1841 and 1843.

The production of daguerréotypes quickly became a flourishing industry in the United States, where traveling "daguerrian artists" set up primitive photography studios in horse-drawn wagons. Within five years of the publication of the daguerréotype process, Mathew B. Brady, the most famous of the 19th century American photographers, began his "Gallery of Illustrious Americans" using pictures taken by himself and other photographers.

Before turning to photography, Daguerre was a professional scene-painter and co-owner in Paris of a diorama, an auditorium where the public could view giant illusionist paintings of historical scenes and famous places.

To produce the paintings, Daguerre started by tracing images captured by a camera obscura, a box with a lens that reproduced scenes upside down and reversed on a ground glass screen. When he learned of Niepce's experiments in heliography and the camera obscura, he proposed a partnership, which ran from 1829 until Niepce's death in 1833, then continued with Niepce's son, Abel.

Roger-Viollet

Daguerréotypes quickly stimulated demand for group portraits.

CREDIT for the first permanent photographically reproduced image belongs to Niepce, who in 1826 succeeded in making a crude heliograph of a barnyard using a kind of asphalt called bitumen of Judea, and oil of lavender. That picture is now in the Gernsheim collection at the University of Texas.

Earlier experiments in recording images photographically had been carried out by Thomas Wedgwood and William Henry Fox Talbot, whose "photogenic drawing" process, rushed into publication as soon as Fox Talbot heard of Daguerre's invention, marked the beginning of the photographic negative from which an unlimited number of copies could be made.

Niepce wandered into photography through his interest in lithography, a process by which pictures were reproduced from an image drawn by hand on a specially prepared stone. Building on Niepce's researches, Daguerre succeeded in 1837 in producing a picture of his studio on a copper plate covered with a solution of silver.

A daguerréotype was produced by exposing a silvered plate to iodine fumes to produce light-sensitive silver iodide. After exposure, the plate was bathed in fumes of mercury, which reacted with the silver and produced the image. The picture was then permanently fixed in a solution known as hyposulphite of soda.

In 1839, Daguerre and Niepce's son ceded the rights of the process to the French government in exchange for lifetime annuities, and the government then made the process available free to the rest of the world. Daguerre outlined the process in a booklet called, "An Historical and Descriptive Account of the Various Processes of the Daguerréotype and the Diorama," which became an instant best seller and was translated into several languages before the end of 1839. In August, the physicist François Arago described the process to a joint session of the academies of science and fine arts.

That same year, Fox Talbot explained his process

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CRITICS' CHOICE

LONDON

Britain's Last Romantics

■ The period of British art from the late Pre-Raphaelite painter Edward Burne-Jones (1833-1898) to Stanley Spencer (1898-1959) is examined in "The Last Romantics," which opens Feb. 9 at the Barbican Centre. On view are more than 350 examples of the painting, sculpture, drawing and print work of the so-called "last children of Romanticism," among them Walter Crane, John William Waterhouse, Charles Ricketts, Augustus John, Charles Rennie Mackintosh and Margaret Macdonald. The exhibition, which runs until April 9, draws its title from a passage in Yeats:

We were the last romantics — chose for theme,
Traditional sanctity and loveliness.

LENINGRAD

Morandi Centennial

■ Organized in anticipation of the centennial of the artist's birth, the touring retrospective of the Italian painter Giorgio Morandi (1890-1964), which opened in Tampere, Finland, can be seen in Leningrad at the Hermitage Museum until Feb. 19 before going on to the Pushkin Museum in Moscow, then to London (Academia Italiana April 15-May 21), Locarno (June 10-Aug. 31), and Tübingen, West Germany (Sept. 23 to Nov. 26). The show, organized by the Galleria d'Arte Moderna in Bologne, has gathered 132 works — oil paintings, watercolors and engravings and will be seen in Bologne in May 1990.

PARIS

A Twyla Tharp Premiere

■ Twyla Tharp will introduce a world premiere and present one of her New York successes at the Paris Opéra later this month, in a season also marked by Russian works. From Feb. 18 to March 8, the Paris Opéra Ballet will present "Rules of the Game," a new work for 12 dancers set to J.S. Bach's Partita in G. The season will also feature Tharp's 1973 "As Time Goes By," based on Haydn's "Farewell" Symphony. For the Russian part of the program, director Rudolf Nureyev has chosen Leonid Massine's "Les presages" (Tchaikovsky's Fifth Symphony, presented in Monte Carlo in 1933) and George Balanchine's ballet choreographed to Stravinsky's "Agon" (New York, 1957).

WASHINGTON

Cézanne's Early Years, Plus

■ The paintings of Cézanne's early years, already seen in London and Paris, are now on display in Washington. "Cézanne: The Early Years 1859-1872" consists of 70 paintings and drawings. Starting with four decorative panels of the seasons done when Cézanne was 21 and frankly labeled awful by most critics, the show demonstrates how his early derivative works foreshadow his familiar mature style. The National Gallery of Art has complemented the early works with an installation of his later paintings. The show runs through April 30.

The 'Stealing' Of Modern Art

by Michael Gibson

PARIS — *Until recently,* all the art history books appeared to agree: In the early 1950s, Paris was evicted from its position as center of the art world by New York simply because American painting was better.

Standard books of American art history mostly exude the same sense of positive accomplishment and present the unfolding of events as a triumphal progress. In 1983, however, the University of Chicago Press brought out a book by Serge Guilbaut which, under the provocative title "How New York Stole the Idea of Modern Art," presents an entirely different and even iconoclastic view of the matter.

The book is indeed provocative, but its arguments are abundantly documented and couched in scholarly form. Its conclusions: The worldwide success of the Abstract Expressionist movement during the early 1950s was, among other things, a product of political circumstance. The author argues that economic and political developments in the 1930s and 1940s had led American artists to reconsider their role and to devise a new art form. American policy makers ultimately enlisted the product as a tool of national prestige toward the end of the Cold War.

Critics of the book, like Irving Sandler, author of "The Triumph of American Painting" dismiss it as no more than a

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Art historian Serge Guilbaut

Jean-Marc Lebrunpin

Nicolas Ascia/International Herald Tribune

MIDEM: A Gigantic Gig for the Music Industry

by Mike Zwerin

CANNES — It has been said that a visit to MIDEM will dash any illusions about music being a creative art. A conversation between four European record label managers in the Hotel Majestic bar on opening eve of the 23d annual Marché International du Disque de l'Edition Musicale, de l'Equipement et de la Vidéo Musique, introduced a more complex experience.

They were poking fun at the myopic multinationals that turned down "Sultans of Swing" by *Dire Straits* which, when released by another company, became one of the biggest hits of the decade.

Label Manager No. 1, sheepish: "Actually, I was one of the people who passed on that record. It was a very bad experience for me. My assistant and I agreed that it was extraordinarily good music but we didn't think it would sell. We were sure they wouldn't go for it upstairs. It taught me an important lesson. You have to fight for what you believe in." With his hangdog expression and sloped shoulders, he did not appear to have much fight left.

Label Manager No. 2, defensive: "The image of a music industry run by complete morons and vicious bloodsuckers is not really what this business is about."

Label Manager No. 3, caustic: " 'Sultans of Swing' made it by mistake. It was an accident. The record business is a chain of accidents. Quality acts like Dire Straits are turned down every day. The problem begins way back within the company itself and the bigger the company the bigger the problem and that's for sure."

Label Manager No. 4, resigned: "My company is so chart crazy they'd rather have a No. 2 in Kabul than some really great unknown band in Bavaria."

A record company threw a cocktail party for its international distributor network ("MIDEM saves me a trip around the world") in one of the 900 sales stands on the exhibition floor of the Palais des Congrès. Nearby, in front of the "Big Ear Music" stand, two men exchanged business cards:

"Are you buying or selling?"

"Both."

Last year set records for the music industry and attendance records were broken at MIDEM '89 — 8,000 inscriptions representing people from 2,000 organizations, mostly corporations, from 58 countries, and 600 representatives of the (mostly trade) press.

Now the policy is as much profit as possible as soon as possible. Instant hits.

Senior-executive moderated panels discussed such subjects as "Getting the Music to the Market." *Hand-wringing* Occidental manufacturers speculated about the implications of CDE (erasable compact discs) in the Martinez bar. Distributors jawboned producers and publishers eyeballed slinky singers on the Majestic terrace. The stand of the Soviet state record company "Melodiya" was always jam-packed. The general director Valery Vasilyevich Sukhorado handed out calling cards with "Merited Worker of Culture" printed on them. Most delegates were watching the Super Bowl the night that Mory Kante and the Gipsy Kings performed for a thin house in the Hotel Martinez ballroom. The chairman introduced a publisher on his panel to the audience: "Bill's middle name is 'Promotion.' He is currently involved in selling 'Yasser Arafat's Greatest Hits' in Tel Aviv."

Meanwhile, gravel-voiced men in mohair suits and white-on-white neckties negotiated moronic and vicious leveraged buyouts over champagne and cocaine in smoke-filled penthouses strewn with hookers and Deutsche marks.

No! It's a joke. That's not what this industry is about. But like the garbage removal industry, justified or not, a small cloud of suspicion hovers. Remember the horse's head on the bed in "The Godfather." The Mob has always been interested in the music business. From countless let-it-all-hang-out rock biographies we now know that industry personnel helped procure drugs for certain stars of yesteryear. Payola scandals keep cropping up. And Morris Levy, owner of Roulette Records, the 80-store retail record chain Strawberries, and Big Ten Publishing, has been convicted of three counts of extortion. "There is no connection between the Mob and the music business," he told an interviewer on NBC's Today Show — "I'm not a crook" in other words. Rolling Stone described Levy as a "stocky gravel-voiced Jewish immigrant's son . . . the last of a generation that built the modern record industry." The gravel voices have been, as it were, rubbed out by a generation speaking in numbers loud and clear.

Most of the important companies are now owned by multinationals. Most others might just as well be. Lawyers, cost accoun-

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WHAT MAKES
PENGUIN BOOKS, W. H. SMITH AND AIR FRANCE
APPEAR TOGETHER IN THE IHT?

Find out by visiting the W. H. Smith's stand at Expolangues (the 7th Salon des Langues at Porte de Versailles, Paris) or their bookshop on 248, Rue de Rivoli, Paris-1er, and win one week for two in Hollywood.

AIR FRANCE

WEEKEND

Scarlett and Rhett had grown green and blue, a result of unstable film stocks and bad duplications.

Today Is Another Day for 'Wind'

by Max Alexander

NEW YORK — In 1939, it was the most technically sophisticated color film ever made, but by 1987 "Gone With the Wind" looked more like "Confederates From Mars."

Scarlett and Rhett had grown green and blue, a result of unstable film stocks and generations of badly duplicated prints. Hair styles and costumes, once marvels of spectral subtlety, looked as though captured in Crayola, not Technicolor.

Not anymore. Turner Broadcasting System, owner of the film, spent two years and $250,000 restoring David O. Selznick's four-hour classic, in time for the film's 50th anniversary this year. The new color-corrected print, struck from the original negatives, had its premiere this week on the 34-foot-high (10-meter-high) screen at Radio City Music Hall.

When the house lights dimmed and the theater's 4,500-watt projectors whirred into action, Scarlett O'Hara again raised her fist against a sky the color of her name and exhorted, "As God is my witness, I'll never be hungry again!"

The refurbished film is booked into 41 American cities — often at prestige revival houses like the Castro in San Francisco — and the home video release of the restored version of the print is slated for August.

But the music hall show, co-sponsored by the Museum of Modern Art, was the kickoff. The screening was introduced by one of the few surviving cast members — Butterfly McQueen, who played Prissy, the sobbing maid.

For the restoration of "Gone With the Wind," Richard May, director of film services at Turner, returned to the original — and highly flammable — nitrate negatives, stored specially at Eastman House in Rochester, New York.

While many film historians cringe at Turner's practice of "colorizing" black-and-white films for television, the archival work on "Gone With the Wind" was entirely different, according to Mary Lea Bandy, director of the film department at the Museum of Modern Art.

Turner Broadcasting System spent two years restoring the movie for its 50th anniversary this year.

In colorization, she says, tints are applied to one-inch video masters. By contrast, the goal with "Gone With the Wind" was to create a new negative on modern safety film from the fragile original — a complicated job because the original negative of "Gone With the Wind" was actually three.

Modern color photography combines the yellow, cyan and magenta dyes necessary for color reproduction on a single negative, but the massive Technicolor cameras of 1939 ran three 35-millimeter negatives at once; a prism behind the lens refracted the image onto the separate strips, whose colors were later combined in a laboratory dye-transfer process to make a full-color print.

The result, according to Bandy, was "perfection — the most beautiful color in the world." But the Technicolor laboratory closed in 1974, and subsequent prints were inferior and unstable.

The cable-TV network TBS initially planned only to restore the original title sequence, in which the words "Gone With the Wind" sweep across the screen. (Later prints used a simpler block title.) Seeing the quality of the restored title "made us hungry for the rest of it," says May. "We decided to go with the whole picture."

"If the novel has a theme, the theme is that of survival," said the late Margaret Mitchell about "Gone With the Wind," her 1,000-page best seller of 1936.

But the making of the 1939 movie was itself a story of survival, as epic and ironic as Mitchell's detail of the Civil-War South and its heroine phoenix, Scarlett O'Hara. The picture took three years, three directors, a million feet of film and $4.25 million to produce, nearly bankrupting the Selznick studio. The difficulties ranged from the grand — lack of a workable screenplay — to the embarrassing: Clark Gable couldn't dance.

Nonetheless, "Selznick's Folly," as the film was quickly dubbed in Hollywood, won eight Academy Awards, and Selznick took the Irving Thalberg Award as 1939's outstanding producer.

It has grossed more than $2 billion in today's money, according to "The Making of a Legend," a recent documentary about the film on the new Turner cable movie channel, TNT.

Turner acquired the picture in 1986 when it bought the M-G-M film library; it secured broadcast rights from CBS the following year and plans to televise the film only on cable. ■

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MIDEM

Continued from page 7

tants and business school graduates have replaced the free-wheelers of Levy's generation who, whatever else might be said of them, respected and cultivated creative talent. John Hammond, who "discovered" Bruce Springsteen, was of that generation and it is questionable that B-r-u-u-u-u-c-e would be allowed the time to become The Boss nowadays. Now the policy is as much profit as possible as soon as possible. Instant hits. This quarter. Avoid long-term investments. This squeezes promising young rock acts, and successful classical music and jazz move less product at the beginning but continue selling for years.

So you expect the worst before going to MIDEM. Expecting the worst has the advantage of leaving no place to go but up. It was an agreeable surprise to discover a considerable minority of important industry figures who still care for music and fight the good fight for it. Billboard Magazine's international editorial director, Mike Hennessey, writing a biography of Kenny Clarke for love. Nesuhi Ertegun, president of the International Federation of Phonographic Industries (IFPI), recording Milt Jackson for his small East-West label. Joe Boyd of Hannibal Records and Mario Pacheco of Nuevos Medios collaborating to record a fusion of the adventurous flamenco group Ketama with Malian kora player Toumani Diabete and British jazz-rock bassist Danny Thompson. Fantasy Record's Bill Belmont, gleeful about Country Joe McDonald recording with the Grateful Dead's Jerry Garcia.

JEAN-PIERRE Grosz was handing out demo cassettes of the vocal duet by Dee Dee Bridgewater and Ray Charles he financed and produced: "Everybody's totally paranoid here," he said as the sun set over the Majestic terrace. "The product they are selling or buying is air. How much is air worth? Companies come here with a budget. If they buy too fast they have nothing left for interesting material they find at the end. If they are too cautious, they are left with an unspent budget.

"I can sell to one of the multinationals who will service and police markets like, say, Brazil. On the other hand, I'll only get paid once a year. Inflation is something like 900 percent a year in Brazil. I know somebody who made a record that sold a million copies in Brazil. Even though he was the composer, performer and publisher, he only came away with $2,000. A Venezuelan distributor made me an offer. I checked him out and discovered that he owns a record pressing plant. So he can declare 10,000 copies and actually it's 100,000 and who knows the difference? Would you like to go there and look at his books?

Jean Karakos of Celluloid Records passed by, battered but unbowed. Karakos was the first to document free jazz in quantity in the late '60s. Celluloid was first to market rap music. Herbie Hancock's "Rockit" was on Celluloid, he introduced Touré Kunda to the United States. Karakos moves fast and recklessly and leaves a lot of bodies in his wake, including his own. If not for his charm, innate honesty and genuine love for music, he would have even more enemies. "Remember," Karakos said to Grosz: "I'm interested in your record."

"I have a lot of offers," Grosz replied.

"I'm not surprised," Karakos said: "But eventually you are going to have to get paid. You'll have trouble getting money from those people. When that happens, call me. Of course you'll have trouble getting paid by me too but I'm much more fun than they are."

When Karakos left, Grosz handed me a Walkman and earphones. I pressed the button — Ray Charles. Suddenly flooded with joy, I realized I had talked about music for nine hours today. I had almost forgotten how wonderful it can be to listen to. ■

Birth of Photography

Continued from page 7

for creating a photographic negative out of sensitized paper to the Royal Society in London. But his method gave a more diffused image than the crystal clear reproductive power of the daguerréotype, and was less widely used in the early years of photography.

The processes devised by Daguerre and Fox Talbot form the basis of modern photography, which relies on light, a silver solution and chemical developers and fixatives to process negatives and prints. According to Jean-Pierre Bousquet, director of the photographic service of Agence France-Presse, it will be several years before an electronic process that records a still image on tiny video discs will be capable of giving the definition and clarity of a good conventional photograph.

Bousquet said it is a paradox that, despite the development of motion pictures and television, "it is still the photograph that significantly fixes an event in people's minds."

However cumbersome the primitive daguerréotype cameras and traveling darkrooms seem in comparison with today's automatic pocket cameras and ultra-sensitive films, they freed photographers from the studio and started the process of opening the eyes of the world to the world. After the daguerréotype, the next big step was the development of a roll-film camera by George Eastman, which made photography accessible to a mass market.

Using the latest techniques developed from those primitive processes, photographers from Agence France-Presse can now send their pictures directly from the negatives rather than from prints via compact transmitters. The images are stored in a computer, can be edited for framing and contrast on a television monitor screen, and are transmitted to media clients around the world in digital form.

No matter how sophisticated the technology, however, "it is the image that counts," and the photographer's eye that remains the key element in the whole process, Bousquet said.

Daguerre and Niepce are being celebrated in a series of exhibitions in their native country, including a yearlong showing of photographic prints in Niepce's birthplace at Chalon-sur-Saône.

In Paris, four exhibitions are scheduled to open in October. The Bibliothèque Nationale will show prints illustrating the history of photography from 1839 to 1818 between October and January, 1990. The National Archives will stage an exhibition about the work of Daguerre, Niepce, Fox Talbot and other pioneers. The Centre Pompidou plans an exhibition on photography in the 20th century. And the Carnavalet museum of the city of Paris will show an exhibition of daguerréotypes.

On April 4, the National Museum of Photography at Bradford in England will open a new wing to house a vast archive of images and photographic equipment donated by Kodak. The event will be accompanied by the publication of "The Story of Popular Photography: The Kodak Museum," written by Colin Ford, the first keeper of the Bradford Museum.

In addition, the museum will hold a four-day symposium starting April 3 to mark the anniversary of the public announcement of the daguerréotype process. A spokesman said the symposium will end with a ceremony at which six of the world's most outstanding photographers — whose names have not yet been announced — will receive honorary degrees from the University of Bradford. ■

MAY 17 AND 18, 1989, MOSCOW

The SOVIET UNION in the 1990's

A MAJOR CONFERENCE COSPONSORED BY THE INTERNATIONAL HERALD TRIBUNE AND THE ECONOMICHESKAYA GAZETA

The International Herald Tribune and the Economicheskaya Gazeta, the leading Soviet Economic weekly, are cosponsoring a two day conference "The Soviet Union in the 1990's: Global Opportunities for Economic Cooperations," designed to provide a unique insight into the economic outlook for the Soviet Union over the next decade. An outstanding group of political, financial and business leaders, and academics from the Soviet Union and the West will address the meeting.
A program of cultural events for delegates, guests and spouses is also being arranged.
Attendance is strictly limited, senior executives interested in attending the conference should complete the registration form below and mail without delay.

MAY 17, 1989

Nikolai Ryzhkov, the Prime Minister, will be making a special appearance/address at the conference

THE OUTLOOK FOR FOREIGN ECONOMIC RELATIONS
Vladimir Kamentser, Deputy Prime Minister and Chairman, State Foreign Economic Commission, USSR

THE CHALLENGES OF PERESTROIKA
Keynote Presentation
Boris Gostev, Finance Minister, USSR
Panel Discussion
Leonid Abalkin, Director, Institute of Economics, of the Academy of Science, Moscow
Professor Stephen Cohen, Director, Russian Studies Program, Princeton University, U.S.
Eugeni Primakov, Director, Institute of Word Economy and International Relations, USSR

A NEW ERA OF DOING BUSINESS WITH THE SOVIET UNION
Dr. Armand Hammer, Chairman, Occidental Petroleum Corporation

CHALLENGES AND ISSUES FOR EUROPE
Valery Giscard d'Estaing, former President, France
Helmut Schmidt, former Chancellor, West Germany
CHALLENGES AND ISSUES FOR THE UNITED STATES AND ASIA PACIFIC
*Toyoo Gyohten, Vice Minister of Finance for International Affairs, Japan
*Senior Member of the Bush Administration
Bolshoi Performance
*Invited - Subject to Confirmation

MAY 18, 1989

THE OUTLOOK FOR CONVERTABILITY
Georg Krupp, Member, Managing Board, Deutsche Bank AG, Frankfurt
J.V. Moskovsky, Chairman, Bank for Foreign Economic Affairs, Moscow
Sir Michael Palliser, Deputy Chairman, Midland Bank, London

HIGH TECHNOLOGY: CHALLENGES AND OPPORTUNITIES
Percy Barnevik, Chairman, Asea Brown Boveric, Zurich
V. Erikov, Deputy, Chairman, USSR State Committee for Science and Technology

E.C. - COMECON: PROSPECTS FOR ECONOMIC COOPERATION
Frans Andriessen, Commissioner for External Relations, EC

JOINT VENTURES AND BUSINESS COOPERATION: OBSTACLES, OPPORTUNITIES AND INCENTIVES FOR MULTINATIONALS WORLDWIDE
Free Economy Zones
I.D. Ivanov, Vice Chairman, Soviet State Foreign Economic Commission, Moscow
Panel Discussion
James Giffen, President and Chairman, Mercator Corp., President, American Trade Consortium
Richard M. Norton, Vice President, Eastern European Region, Pepsi Cola International, Vienna
Heinz Schimmelbusch, Chairman of the Board, designate, Metallgesellschaft, Frankfurt

International Herald Tribune

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Please complete the registration form and fax or mail to The Conference Department: International Herald Tribune, 63 Long Acre, London WC2E 9JH. Tel.: (44 1) 379 4302. Tlx: 262009 or Fax: (44 1) 240 2254. The conference will be held at the Sovincentr in Moscow. A limited block of hotel accommodation has been reserved at the adjoining Hotel Mezhdunarodnaya. Full details concerning visa application, hotel and travel arrangements and the special programs will be sent to delegates on receipt of the registration form.

The fee for the conference is £595.00. This includes receptions, lunches, conference documentation and the special program. ☐ *Please invoice* ☐ *Check enclosed*

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INTERNATIONAL ARTS GUIDE

AUSTRIA

Vienna

Kunsthistorisches Museum (tel: 934.541). To Feb. 26: Prague Around 1600: The court of Rudolf II, Hapsburg emperor from 1576 to 1612, illustrated by over 400 works of art and scientific instruments, originally part of the emperor's private collection.

ENGLAND

London

Hayward Gallery (tel: 261.01.27). To Apr. 16: Leonardo da Vinci: Artist, Scientist, Engineer: 129 drawings by Leonardo including portraits, architectural and engineering designs, and 13 models, among them a flying machine of his design.

Royal Academy of Arts (tel: 734.90.52). To Apr. 9: Italian Art in the 20th Century, the most significant movements in Italian art since 1900, illustrated by the work of 45 artists including Boccioni, Balla, Severini, De Chirico, Morandi, Modigliani, Mario Merz and Lucio Fontana.

Whitechapel Art Gallery (tel: 377.01.07). To Apr. 23: Joan Miro, Paintings and Drawings 1929-41: on view are over 90 works.

FRANCE

Paris

Centre Georges Pompidou (tel: 42.77.12.33). To Mar. 27: Jean Tinguely: a retrospective of the Swiss artist's work of the past 30 years displays over 200 sculptures, including recent works.

Bibliothèque Nationale (tel: 47.03.81.26). To Mar. 5: Gauguin and the Pont-Aven School: engravings and other prints by principal Pont-Aven artists, Emile Bernard, Paul Serusier, Maxime Maufra and others.

Musée des Antiquités Nationale, Saint-Germain-en-Laye (tel: 34.51.53.65). To Apr. 30: A loan show of bronze age objects representing among the earliest examples of gold jewelry, from Bulgarian archaeological finds along the Black Sea.

WEST GERMANY

Berlin

Nationalgalerie (tel: 2.66.60). To Mar. 19: Sixty Modern Masterworks from the Solomon R. Guggenheim Museum in New York and the Peggy Guggenheim collection in Venice. Includes works by Braque, Max Ernst, Chagall, Modigliani.

Cologne

Wallraf-Richartz-Museum (tel: 2.21.23.79). To Mar. 27: Allegory to Realism: Gothic Painting and Sculpture in Cologne, 1300 to 1550. Includes 13th- and 14th- century sculpture and painting of the 15th and 16th centuries.

Frankfurt

Kunsthalle Schirn (tel: 15.45.0). To Feb. 26: "Guido Reni and Europe": 42 paintings and 65 drawings by Reni and paintings and prints by his artistic heirs of the 17th and 18th centuries. Represented are 45 artists including Cantarini, Guercino, Ribera, Murillo, Zurbaran, Ingres, David, Van Dyck.

Munich

Neue Pinakothek (tel: 23.80.50). To Mar. 5: French art of the 19th century from the museum of applied arts in Budapest: 50 paintings, watercolors and drawings.

Wiesbaden

Museum Wiesbaden (tel: 368.21.70). To Feb. 12: "1000 years of Russian Art" draws on collections from sixteen Soviet museums. On view are 160 icons from the 13th to 20th centuries, 160 objects by medieval goldsmiths, as well as frescoes, statues, and illuminated books.

ITALY

Florence

Palazzo Pitti (tel: 21.34.40). To Apr. 30: Splendors of Semiprecious Stones: Court Art in the Florence of the Grand Dukes displays about 100 objects, of the 16th to 19th centuries.

Venice

Museo Correr (tel: 25.625). To Feb. 7: Giorgio de Chirico (1888-1974): A retrospective honoring the centenary of the artist's death features 110 works.

NETHERLANDS

Amsterdam

Van Gogh Museum (tel: 76.48.81). To Feb. 26: Van Gogh and Millet: displays the influence of the Barbizon school painter Jean-François Millet (1814-1875) on Van Gogh in 80 works.

SWITZERLAND

Bern

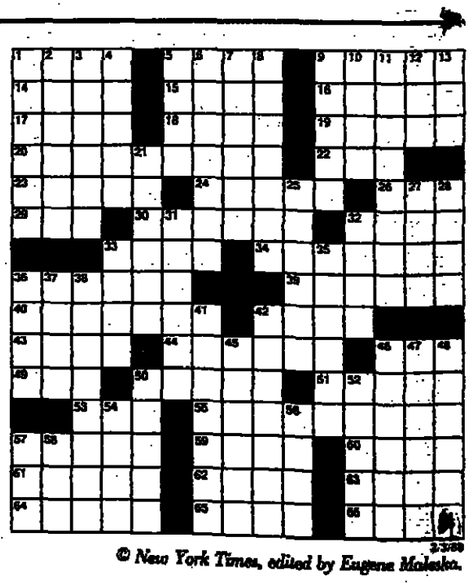
Kunstmuseum (tel: 22.09.44). To Feb. 12: Max Ernst collages: a retrospective of 200 works ranging from the 1920s to the early 1970s.

Zurich

Kunsthaus (tel: 251.67.65). To Mar. 5: The Sketchbooks of Picasso: the artist's sketchbooks 1906 to 1965 are represented by 250 sketches, drawings, watercolors, personal notations.

ACROSS

1 Mischief
5 London's Regent's ——
9 Hamadryad
14 Conceit
15 Henri Philippe Benoni —— Joseph Pétain
16 Site of Betelgeuse
17 —— me tangere
18 Catamount
19 Caisson
20 Graf's feat, 1988
22 High note
23 Diarize
24 Sea duck
26 Prof's degree
29 Compass pt.
30 *Stableman*
32 Gaff
33 Periods
34 Wharton's "Old New York," e.g
36 Almost
39 Seasonable
40 *Spring flowers*
42 Eight furlongs
43 English Channel feeder
44 Decoy
46 Terhune canine
49 Bangtail
50 Orr was one
51 Cubic meter
53 Observe
55 *Chinese checker?*
57 "Hamgan" songwriter
59 Teri of "Tootsie"
60 Arrow poison
61 Got up and at 'em
62 Dutch cheese
63 Remitted
64 Polyphonic composition
65 Depend
66 Papaw or persea



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Solution to Previous Puzzle

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DOWN

1 Stamp mounts
2 Emblazons
3 Tell
4 Normandy neighbor
5 A favorite in Beantown
6 Talismans
7 Forward a letter
8 Gleason role
9 Quail
10 Unwritten
11 Dance craze in the 30's
12 A friend of Pooh
13 Blyth or Miller
21 Sea anchor
25 Amatory
27 Famed U.N advocate
28 Sledge or sled
31 Gun dog
32 Dotted, as with stars
33 Willing partner
35 Most repulsive
36 Severn tributary
37 Firenze coin
38 Flier
41 Cozier
42 Coal or quartz
45 Screed
46 Hobbor, in the game of horseshoes
47 Francis or Dahl
48 Expunge
50 Pulitzer Prize poet: 1929
52 Dance craze of the 60's
54 Palliate
56 Host
57 Tappet mover
58 Gold, to Cortés

French Honor O'Neill With 'Strange Interlude'

by Thomas Quinn Curtiss

PARIS — To honor the centenary of Eugene O'Neill's birth the Toulouse National Theater last season prepared a production of "Strange Interlude," perhaps the most famous and certainly the most remunerative of all his plays.

Requiring five hours to perform its nine acts and introducing to dramaturgy the stream of consciousness device of James Joyce's "Ulysses" by having its characters

Eugene O'Neill

speak their thoughts in asides, it caused a sensation when it was unveiled in 1928. It paved the way to O'Neill's being awarded the Nobel Prize in literature.

"L'Etrange intermède," the Toulouse theater's presentation, is currently at the Théâtre de la Commune d'Aubervilliers (until Feb. 12) where it is drawing packed houses. Its audiences sit rapt before it as the hours tick away, for it maintains its hypnotic spell throughout as it did six decades ago.

Here again O'Neill was striving for fresh forms to broaden the scope of the stage. He employed realism in his early cycle of one-act sea plays with memories of his sailor days and in "Anna Christie" with its waterfront background. In "The Emperor Jones" he introduced the throbbing beat of the tom-tom that sounds with a rising sense of doom as the fallen monarch flees through the jungle. In "The Hairy Ape" he veered to expressionism in taking as his key figure a primitive brute, a brawny stoker who feeds the furnaces of a luxury ocean liner. This human simian, one of the excluded, yearns to "belong," and, rejected by all, only finds his place in a bewildering maze of the world when at the end he climbs into the monkey cage of a zoo and dies in the arms of a gorilla.

In "The Great God Brown," a satirical fantasy of the bleakness of materialistic society, O'Neill resorted to Greek tragedy masks with which his Babbitts and their women expose their dual natures.

In "Strange Interlude," after delving into the theories of Freud and Jung, he aims to uncover the psyche of a modern woman seeking her fulfillment. The play is a case history dramatized with an unswerving insight and directness that enlivens it with pulsating theatricality.

O'Neill, raised in the theater, knew the art of sustaining suspense in every scene. His protagonist, Nina Leeds, the daughter of a puritanic professor, in her soliloquies discloses her motives in manipulating those about her: the man she marries after her fiancé, a dashing aviator, has been killed in the war; the doctor who becomes the father of her child; her child, grown to manhood, and a timid friend of her girlhood who becomes her companion in late life after the others have escaped her grasp.

When O'Neill submitted his voluminous script to the Theater Guild its board of directors pondered on how to arrange it to be seen. The solution was to begin at 5 P.M., pause for dinner at 8 and then resume at 9. This scheme made theater-going into a special occasion.

It was an immediate and enormous success when it opened in January, 1928. The majority of the critics hailed it as the finest play ever written by an American. It ran on Broadway for 17 months and two companies were engaged to play it across the country. It was awarded the Pulitzer Prize and in book form it was the only modern play ever to top best-seller lists, selling 100,000 copies in a few weeks.

ITS performance was forbidden by the police in Boston, which placed O'Neill in the company of Boccaccio, Bertrand Russell, Mark Twain, Havelock Ellis, Freud, Aldous Huxley, Theodore Dreiser and Upton Sinclair, all of whom were banned in Boston. Even Paul Reboux's cook book was banned in Boston as it contained a recipe for a seduction supper.

"Strange Interlude" found shelter in nearby Quincy. There it thrived with every student at Harvard and Vassar trying to get into it. A novice restaurateur in Quincy catered intermission dinners, his first step on the road to fortune. His name was Howard Johnson.

Notoriety clung to the play. It was constantly in the news as it made its triumphant march through the land. A mayor would proclaim that he had been shocked by it or it was denounced from some pulpit as immoral. A woman who was forever charging movie scriptwriters for plagiarizing her ideas brought suit, accusing O'Neill of borrowing from a soft-porn novel she had published, and O'Neill's publisher had to stand trial. The literary lady lost.

Jokes about it abounded. Alfred Lunt — whose wife, Lynn Fontanne, created the role of Nina Leeds — referred to it as "six-day bisexual race" and Alexander Woollcott called it "the 'Abie's Irish Rose' of the intelligentsia." The Marx brothers, in a musical comedy, parodied its climatic scene in which Nina Leeds, sitting with her three men, tells the audience in asides what she thinks of them. This was the time when Herbert Hoover and Al Smith were rivals for the presidency. The Marx sketch transformed Nina into the Statue of Liberty surrounded by Hoover, Smith and the then president, Calvin Coolidge. Groucho as Smith, derby and all, kept boasting, "I got her!" but when the statute spoke her thoughts, she remarked, "My three men! All of them are impossible!"

The Toulouse presentation, directed by Jacques Rosner, conveys the emotional voltage of the tragic drama to thrilling effect. Marie-Christine Barrault as Nina Leeds, one of the longest roles in theatrical history, has the part firmly in hand and plays it with honest force and sufficient variety. Jean-Claude Dreyfus as the reserved fatherly friend who inherits the heroine after she is passion-spent, delivers an admirable characterization. Simone Turck as Nina's mother-in-law does her single but crucial scene superbly and the others suffice. ■

In "Divertimento No. 15," the male dancers are Ben Huys (Belgium), Jukka Aromaa (Finland) and Nilas Martins (trained in Denmark).

Wanted: American Male Dancers

by Anna Kisselgoff

NEW YORK — Look at the photograph above and you might muse upon the fact that all three men, still in their 20s, were trained in Europe, while the women are American. Yet, all eight dancers are performing in an American company, the New York City Ballet.

We are, it seems, back to the same old story — forced to acknowledge that the United States is less receptive to the development of male classical dancing than it should be. American ballet companies are again beginning to look abroad to fill their ranks, but true to form, no such shortage of talent exists among the women.

Parodoxically, a noticeable influx of male foreign dancers into the United States's two top classical companies, City Ballet and American Ballet Theatre, comes at a time when the overall standard of dancing in ballet has risen markedly among American men. One has only to remember the male corps in both troupes through the 1970s to recognize how more classical in style, how more precise and technically secure today's American young men are at the soloist and corps level.

At the City Ballet, in particular, those who entered the corps in the mid-1980s have very visibly shot ahead. This generation includes Michael Byars, Jeffrey Edwards and Damian Woetzel (all attracting notice this season), with Wes Chapman an obvious counterpart at Ballet Theatre.

There is, nonetheless, a generation gap at the principal level, possibly explained by absence and injury, that has been filled this season by either new dancers from abroad or casting that makes us realize how international the male ranks have become in the two companies.

Ballet Theatre has just recruited Andris Liepa, one of the Bolshoi's younger stars from Moscow, for its 1988-89 season, as well as a new French principal, Guillaume Graffin. ABT's principals already include Ross Stretton from Australia and Johan Renvall from Sweden, not to speak of Mikhail Baryshnikov. The last two seasons have been highlighted by the dancing of Argentina's Julio Bocca, who may or may not return to Ballet Theatre in the spring. Ricardo Bustamante is a rising star from Colombia, although partly American-trained: He danced previously with the San Francisco Ballet.

The influx is more noticeable this season at the City Ballet, chiefly because the company has never paid attention to hierarchical distinctions. The ballet pictured on this page is "Divertimento No. 15," one of George Balanchine's most rigorous tests of purity in classical style. The solo roles were danced several times by Nilas Martins and Ben Huys, two young corps members in their first big assignments; the central male role was held by Jukka Aromaa, an engagingly confident new soloist from Finland who has been thrust into principal roles from his first week with the company this fall.

Martins, the son of Peter Martins, the City Ballet's co-director, was trained in Denmark, and Huys comes from Belgium. Both had a few nervous moments in the difficult partnering. Yet, both were elegant and noble. Martins, a standout at age 12 when I saw him at the Royal Danish Ballet school in Copenhagen, tends to dance with a bemused air. Give him a few more opportunities, such as his debut in "The Waltz Project" (by the elder Martins), and you will sense a new intensity and potential.

The most visible corps member since last spring has been the towering Jeppe Mydtskov from Denmark, whose partnering and presence brought him to the fore in last spring's American Music Festival and most notably this season when he brilliantly took over the main role in Jerome Robbins's "Glass Pieces."

Two soloists, Gen Horiuchi from Japan and Carlo Merlo from Italy and Monaco, came to attention in the early 1980s, as did two other dancers who have partnered the company's top ballerinas: Otio Neubert, a soloist from West Germany, and Alexandre Proia from France, a corps member often seen as a soloist because of his distinctive stage personality.

Huys, Horiuchi and Merlo entered the company as past winners of the Prix de Lausanne. By offering a scholarship to the School of American Ballet (the City Ballet school), the annual international competition has drawn young foreign talent to the City Ballet.

OTHER male dancers who came from abroad to join the company include a few corps members, but more visibly several principals from the Balanchine era: Adam Luders and Ib Andersen from Denmark, and Leonid Kozlov, a product of the Bolshoi. Incidentally, Lindsay Fischer, the company's new American principal, was trained in Toronto.

Major American ballet companies, through necessity, have been cosmopolitan; this was especially true when Balanchine's top male ranks in the 1970s were almost exclusively filled with Europeans. American ballet, in fact, has been more creative than its counterpart overseas, in part because its talent pool has been recruited from everywhere. The narrow nationalism of state opera houses abroad has never limited its choice of dancers and the versatility they provide to choreographers.

Why has American ballet, however, not produced a current generation of major male classical dancers? Those who teach ballet in the United States suggest that, until the American government provides the full subsidy that the Soviet, French and Danish governments offer to young boys who begin their ballet training at the age of 8, families with highly gifted children will not come forward.

When role models — including Martins and Baryshnikov — were in the public eye, the School of American Ballet suddenly experienced a surge of enrollment in the 1970s from boys (or rather, their parents). After 1984, this kind of enrollment dropped off — in the view of some because gymnastics attracted more boys after the Olympics that year.

My view is that the Puritan impulse still has a lot to answer for. An American 6-year-old (male) once told me (before his mother pounced on him) that he wasn't interested in seeing "The Nutcracker" again because "ballet is for girls." Try and find out where he heard that point of view. Better yet, try to put that youngster into a dance studio. ■

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'Stealing' Modern Art

Continued from page 7

a "conspiracy theory." Yet an attentive reading of the book fails to reveal a conspiracy.

Serge Guilbaut, a bright-eyed, 45-year-old Frenchman with a lively sense of humor, was trained in art history at the University of California and has been professor of art history at the University of British Columbia in Vancouver since 1978. He is now on a sabbatical in Paris with his wife and two children, enjoying the reactions to the recently published French edition and working on his next book — a sequel.

Guilbaut has caused particular irritation to such conservative critics as Hilton Kramer, who has bashed him on several occasions. Some object to his assessment of the Cold War and of the American response to the takeover of Central Europe by the Soviets. He undeniably takes a detached view and seems to imply that the government overreacted.

Other adversaries unjustifiably assume that he is "against" American art and must consequently be in favor of Socialist Realism. Yet despite accusations, Guilbaut's thesis never questions the intrinsic aesthetic quality of American art of the period — Pollock, Rothko, de Kooning, Motherwell et al. But it does challenge the accepted account of how the school of New York achieved international success.

As he argues, the political undercurrents of this period are generally ignored in the accepted accounts of recent art history: "This amnesia," he believes, "was of course due in part to self-imposed censorship in response to the trauma of the McCarthy era."

AS far as art historians are concerned, this scrutiny of the political context and of what might be described as the "negative" aspects of history, is nothing new. Other specialists have worked along similar lines.

It has generally been assumed that the aesthetic of Abstract Expressionism, which embodied the postwar "triumph of American painting," was based on the notion of "art for art's sake" and implied a total political disengagement. This Guilbaut shows to be untrue. All these artists were concerned by politics and by the meaning of art in relationship to life.

"What really fascinated me at the outset," Guilbaut says, "was the fact that a modernist, avant-gardist culture should suddenly have developed in a country which had, until then, utterly rejected this sort of culture. How could this be, I wondered? And how was it that Jackson Pollock who, in the 1930s, was decorating floats for the American Communist Party, became a totally abstract painter in the late 1940s and the very embodiment of the American culture hero?"

These questions led Guilbaut to take a closer look at the aesthetic debate of the 1930s. At that time only a rather small circle of artists and intellectuals was actually involved. All belonged to the political left and most were strict Marxists or Trotskyites.

But the years 1935 to 1941 saw a gradual drift away from the left. American artists grew disillusioned with the notion of a common front of the left after the Soviet Union signed a non-aggression pact with Hitler and then invaded Finland and Poland.

The fall of France prompted American artists, thinkers and political leaders to see America's role in a new light. The creation of an "authentically American art" had long

The book has caused particular irritation to such conservative critics as Hilton Kramer.

been a sensitive issue. How was one to define the characteristics of such an art? The eclipse of Europe brought matters to a head. Exiled artists and writers arrived in droves. Collectors who could no longer go to Europe were led to scout the American scene. The Parisian dealers who had dominated the market until then were out of the running and a new market began to develop in New York.

More important, the very fact that modernism was rejected by the fascists with which America was at war led to its approval by the mass media. "Though modernism," writes Guilbaut, "had previously not caught on in the United States, now it slipped in through the back door, as it were, and established itself in the national consciousness. The war was to do far more for modern culture in the United States than all the efforts of the Partisan Review put together."

In due course, and as the war came to an end with the revelation of extermination camps and the explosion of the atomic bomb, artists came to feel that they should turn to abstraction to express contemporary alienation and anguish.

At the end of the war, America entered a new phase. At home, there was money to spend and the wartime notion of "buy American" also applied to art. A new middle class was rising that sought a different cultural identity from that of the financial aristocracy that had, before the war, bought its art in Europe. But the call for a specifically American art also demanded a definition of what actually made a certain kind of art American.

Guilbaut relates the story of the exhibition devoted to six American artists, organized by Samuel Kootz at the Maeght Gallery in Paris in 1947. In retrospect it sounds like a rather grim and cautionary tale. The original idea, says Guilbaut, had been to win some Parisian accolades for Robert Motherwell, Adolph Gottlieb, William Baziotes, Romare Bearden, Carl Holty and Byron Brown. But at the same time they were sent to France as the representatives of the new American painting.

The exhibition was something of a flop, but the interesting point here is that, while the first three became famous and went down in art history, few history books pay much attention to the others. The show had, in a sense, been a litmus test of what makes a work of art American. Brown, Holty and Bearden all too clearly continued to show their attachment to the Paris tradition, thus unwittingly cutting themselves off from the trend of the future.

THE sin of these artists was that they had made the wrong choice. For in the interval, and through long debate, it had become apparent that "American" meant "unfinished," as against the craftsmanlike finish of Parisian art, of which Brown, for one, approved. American also meant "virile, tough," and indeed "brutal" — Parisian art, by contrast, being "effeminate."

In conclusion, Guilbaut points out, all this was taking place at a time when the country was getting increasingly involved in the Cold War. America was the leader of what was then termed the Free World. This leadership was military and economic, but it soon became apparent that the country also needed to project a cultural image abroad. The image that appeared most suitable was that of an essentially free spirit, the individualistic, rugged and "apolitical" artist.

The Abstract Expressionists, whom the mass audiences had discovered in such publications as Life magazine, were picked up by this tremendous political wave and propelled to the fore as the symbol of the times. They became, in Guilbaut's view, the banner of the new liberalism that replaced the Popular Front.

It was this convergence of complex aesthetic, commercial and political considerations that, according to Guilbaut, ultimately caused America to adopt a variant of the modernist culture it had formerly rejected, and to become its chief defender. This, in the author's view, is how New York "stole" the idea of modern art. ■

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GAME 1: 1 2 3 4 5 6 7 8 9 / 10 11 12 13 14 15 16 17 / 18 19 20 21 22 23 24 25 / 26 27 28 29 30 31 32 33 / 34 35 36 37 38 39 40 41 / 42 43 44 45 46 47 48 49
GAME 2: 1 2 3 4 5 6 7 8 9 / 10 11 12 13 14 15 16 17 / 18 19 20 21 22 23 24 25 / 26 27 28 29 30 31 32 33 / 34 35 36 37 38 39 40 41 / 42 43 44 45 46 47 48 49
GAME 3: 1 2 3 4 5 6 7 8 9 / 10 11 12 13 14 15 16 17 / 18 19 20 21 22 23 24 25 / 26 27 28 29 30 31 32 33 / 34 35 36 37 38 39 40 41 / 42 43 44 45 46 47 48 49
GAME 4: 1 2 3 4 5 6 7 8 9 / 10 11 12 13 14 15 16 17 / 18 19 20 21 22 23 24 25 / 26 27 28 29 30 31 32 33 / 34 35 36 37 38 39 40 41 / 42 43 44 45 46 47 48 49
GAME 5: 1 2 3 4 5 6 7 8 9 / 10 11 12 13 14 15 16 17 / 18 19 20 21 22 23 24 25 / 26 27 28 29 30 31 32 33 / 34 35 36 37 38 39 40 41 / 42 43 44 45 46 47 48 49
GAME 6: 1 2 3 4 5 6 7 8 9 / 10 11 12 13 14 15 16 17 / 18 19 20 21 22 23 24 25 / 26 27 28 29 30 31 32 33 / 34 35 36 37 38 39 40 41 / 42 43 44 45 46 47 48 49

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Thursday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

NYSE Highs-Lows

NEW HIGHS 92

AMR Corp, AlaskaAir, Albertsons, AllstMunCop, ArchDnM, AshlndCool n, Bandag, BemisCo s, BethSt Sal, BethSt 250p, CRS Sirrine, CdnPac g, Centel, CenturyTel s, ChrisCft, ClairesStr, ClevCliff, CocaCola, CocaColaEnt, Coleman, CollnFds, ComdreInt, CompaqCpt, CotrAsc, Comput Sci, Conrail, Craig Corp, DavisWatr, DeltaAirl, Donnelley, DravoCo, DrevStrl, EnnisBF, Enserch, FluorCo, FordMotor, FostrWhlr, Gabeli, GenCinema, GnCin pf, GoldWstFin, Hannaford, Harmanlnt, HelenCur, HomeDepot, ImperChem, INCO Ltd, IntlPaper, Intertan, JWP Inc, KnightRid, Limited, Lubys, ManufH adj p, MAPCO, MetroFn, NL Ind n, NWA Inc, Norwest s, OhioMatt s, Oneida s, OrionCo adj, Pan Am, PennCtrl s, PhEl 987pf, PrimeCm, RaymdJames, RaymdRey, Russell, Rykoff s, Ryland, SafeardScl, SalantCp, SalomonInc, SealedAir, Shoklee, Skyline Cp, SunDist, TW Svcs, UAL Corp, UNUM, UCableTV, UsairGp, UnivFds s, ValeroEnr, ValeroEn pf, ValeroEn pr, WarnrComm, WarnrCm pf, WstPtPep, WeighEl, Xerox Cp

NEW LOWS 5

BancoBilV n, vlColeco, InfoRs adj p, NwAmShoe n, WellsF adj p

AMEX Highs-Lows

NEW HIGHS 36

ARC Intl g, Alza un, AmTr-dew sc, AmTr-dd sc, AmTr-ge prm, AmTr-gm sc, AmTr-mo sc, AmTr-pg prm, AmTr-xrx prm, BanistrCll g, CSS Ind, CatalinaLt n, CentyComm s, CrwnCnP pfD, DataProd, DixonTicon s, Foodrama, Glatfelter, GuardnBc s, Hastings Mf, Intermark, KirbyExp, Laiolla, MerchantGp, MidlandCos, Newcor, ObrienEgy, PSvCol 425p, SanmarkSt s, Sbarro, StephnChm s, TelephData s, TolEd 632pf, US Cellular, UnoRestr, Viacom

NEW LOWS 5

AnglesMtg wi, CompuDyne, IncoOppor, Iroquois Bd, RAC Mtg

U.S. Futures

Via The Associated Press

Feb. 2

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
[illegible]							

Food

[illegible]

Metals

[illegible]

Livestock

[illegible]

Financial

[illegible]

Industrials

[illegible]

Stock Indexes

[illegible]

Commodity Indexes

	Close	Previous
Moody's	1,132.60 f	1,121.50 f
Reuters	N.A.	1,977.80
D.J. Futures	139.91	140.48
Com. Research	242.23	242.23

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

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Currency Options

Feb. 2

PHILADELPHIA EXCHANGE

[illegible]

r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

Floating-Rate Notes

Feb. 2

Dollars

[illegible]

Deutsche Marks

[illegible]

Pounds Sterling

[illegible]

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Askd
Cnt 97 Yen	-		100.00	100.50
Cr Foncier Aug97 Yen	5¾	28-02	100.10	100.60
Edf (Jpy) Nov94	4½	22-05	100.10	100.60

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Askd
Roma 92 (Ecu)	7¾	08-02	99.50	100.00
Cr Foncier 96 (Ecu)	8.249	18-04	99.75	100.00
Ireland 97 (Ecu)	7¾	28-04	99.00	100.00
Italy 92 Ecu	8¼	30-03	99.98	100.08
Ppcorp 19Sept 97 Ecu	8½	21-03	97.50	98.50
Sisgbain Perp Ecu	7¾	26-04	92.00	93.00

Source : Credit Suisse-First Boston Ltd., London

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Paris Commodities

Feb. 2

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Mar	1,818	1,777	1,805	1,810	+20
May	1,765	1,735	1,745	1,750	+18
Aug	1,760	1,759	1,749	1,750	+15
Oct	1,710	1,705	1,685	1,700	+20
Dec	N.T.	N.T.	1,655	1,675	+13
Mar	N.T.	N.T.	1,650	1,665	+17

Est. vol: 1,926 lots of 50 tons. Prev. actual sales: 2,069 lots. Open interest: 18,641.

	High	Low	Close Bid	Ask	Ch'ge
COCOA French francs per 100 kg					
Mar	N.T.	N.T.	1,110	—	—5
May	N.T.	N.T.	1,100	1,120	—7
Jly	N.T.	N.T.	1,105	1,125	—5
Sep	N.T.	N.T.	1,130	—	—5
Dec	N.T.	N.T.	1,045	—	—5
Mar	N.T.	N.T.	1,045	—	—5
May	N.T.	N.T.	1,045	—	—5

Est. vol: 0 lots of 10 tons. Prev. actual sales: 12 lots. Open interest: 129.

	High	Low	Close Bid	Ask	Ch'ge
COFFEE French francs per 100 kg					
Mar	1,235	N.T.	1,250	—	—15
May	1,215	N.T.	1,240	—	—10
Jly	N.T.	N.T.	1,180	1,215	—13
Sep	1,205	N.T.	1,180	1,205	—13
Nov	N.T.	N.T.	1,175	1,205	—10
Jan	N.T.	N.T.	1,167	—	—10
Mar	N.T.	N.T.	1,165	—	—7

Est. vol: 12 lots of 5 tons. Prev. actual sales: 0 lots. Open interest: 618.
Source: Bourse de Commerce.

London Commodities

Feb. 2

	Close Bid	Ask	High	Low	Previous Bid	Ask
SUGAR U.S. Dollars per metric ton						
Mar	228.80	229.00	233.40	227.40	228.00	228.20
May	232.40	232.60	235.60	229.00	229.00	229.20
Aug	230.20	231.00	231.00	229.20	227.40	227.80
Oct	228.80	229.00	231.20	227.80	226.60	227.00
Dec	223.00	228.00	224.00	224.00	220.00	225.00
Mar	224.00	225.00	225.20	223.20	220.60	223.00
May	223.00	224.00	N.T.	N.T.	219.60	222.00

Volume: 4,086 lots of 50 tons.

	Close Bid	Ask	High	Low	Previous Bid	Ask
COCOA Sterling per metric ton						
Mar	839	840	853	834	834	835
May	851	852	862	845	850	851
Jul	845	846	848	832	836	838
Sep	839	840	846	834	835	836
Dec	853	855	859	847	851	855
Mar	857	858	864	850	855	860
May	865	866	871	865	860	869

Volume: 5,806 lots of 10 tons.

	Close Bid	Ask	High	Low	Previous Bid	Ask
GASOIL U.S. dollars per metric ton						
Feb	145.75	146.00	147.75	145.75	146.00	146.25
Mar	142.25	142.50	145.00	142.25	143.00	143.25
Apr	139.50	139.75	141.75	139.25	139.50	139.75
May	136.50	137.00	139.00	136.50	136.75	137.50
Jun	134.50	134.75	136.50	134.50	134.50	135.00
Jul	135.25	136.50	137.25	135.75	135.25	135.50
Aug	137.50	145.00	N.T.	N.T.	137.00	138.50
Sep	137.00	145.00	N.T.	N.T.	136.50	142.00
Oct	137.00	141.50	N.T.	N.T.	137.50	142.00

Volume: 6,486 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange.

Dividends

Feb. 2

Company	Per	Amt	Pay	Rec
INCREASED				
Crawfrd & Co	Q	.18	2-23	2-13
HON Industrs	Q	.12	3-1	2-16
USUAL				
Bassett Furntr Ind	Q	.25	3-1	2-15
Bevrly Invst. Prop	Q	.40	3-10	2-24
Cadmus Communi.	Q	.05	3-3	2-28
Citizens Securty Grp	Q	.02	3-2	2-14
Georgia-Pacific Crp	Q	.35	3-13	2-17
Golden West Finncl	Q	.07	3-10	2-15
Grt Nrthrn Nekoosa	Q	.38	3-31	3-3
Grumman Corp	Q	.25	2-17	2-7
Landmark Land Co	Q	.10	2-24	2-10
Legg Mason Inc	Q	.06	4-10	3-21
Nrthwst Pblic Svc	Q	.35	3-1	2-15
Panhandle Eastrn	Q	.50	3-15	2-17
SAFECO Corp	Q	.27	4-24	4-7
Southwest Gas Corp	Q	.33½	3-1	2-10
Summit Bancorp	Q	.18	3-15	3-1
USX Corp	Q	.35	3-10	2-10

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

S&P 100 Index Options

Feb. 2

Strike Price	Calls-Last Feb	Mar	Apr	May	Puts-Last Feb	Mar	Apr	May
[illegible]								

Calls: total volume 110,851; total open int. 334,425
Puts: total volume 85,186; total open int. 528,786
S&P 100 index: High 285.39 low 282.95 close 283.99 —0.69
Source: CBOE.

Soviet Grain Imports Likely to Rise Sharply

Reuters

LONDON — Soviet wheat and coarse grain imports in the year ending June 30 will rise 13 percent on last year because of a poor harvest, the International Wheat Council said Thursday. It put imports at 35 million metric tons, up 4 million on the previous year.

Some grain trade analysts say the Soviet Union could import as much as 40 million metric tons of grain in 1988-89.

London Metals

Feb. 2

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	2215.00	2225.00	2225.00	2230.00
Foward	2210.00	2215.00	2215.00	2220.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1830.00	1835.00	1868.00	1870.00
Forward	1746.00	1747.00	1780.00	1781.00
LEAD Sterling per metric ton				
Spot	365.00	367.00	367.00	369.00
Forward	371.50	372.00	371.50	372.00
NICKEL Dollars per metric ton				
Spot	17600	17700	17650	17700
Forward	17650	17700	17650	17700
SILVER U.S. cents per troy ounce				
Spot	580.00	583.00	580.00	583.00
Forward	593.00	596.00	593.00	596.00
ZINC (High Grade) U.S. Dollars per metric ton				
Spot	1820.00	1830.00	1810.00	1815.00
Forward	1781.00	1785.00	1755.00	1760.00

Source: AP.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

Feb. 2

Strike Price	Calls-Settle Feb	Mar	Apr	Puts-Settle Feb	Mar	Apr
51	—	2.53	—	0.07	0.09	0.19
52	—	1.67	—	0.01	0.22	0.36
53	0.54	0.94	—	0.09	0.49	0.65
54	0.04	0.46	0.96	0.59	1.01	1.08
55	0.01	0.20	0.51	1.55	1.75	1.89
56	0.01	0.08	0.33	2.55	2.62	2.63

Est. total vol.: 11,982
Calls: Wed. volume: 8,358; open int.: 67,971
Puts: Wed. volume: 7,272; open int.: 69,834
Source: CME.

U.S. Treasuries

Feb. 2

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	8.36	8.35	8.68	8.67
6-month bill	8.40	8.42	8.91	8.90
1-year bill	8.34	8.36	9.03	9.03

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	101 28/32	101 30/32	8.82	8.82

Source: Salomon Brothers.

Spot Commodities

Feb. 2

Commodity	Today	Prev.
Aluminum, lb	1.00	1.00
Coffee, lb	1.36	1.36
Copper electrolytic, lb	1.503	1.5093
Iron FOB, ton	213.00	213.00
Lead, lb	0.37	0.40
Printcloth, yd	0.50	0.48
Silver, troy oz	5.85	5.89
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	110.00	110.00
Tin, lb	4.712	4.7026
Zinc, lb	0.8312	0.8312

Source: AP.

U.S. Home Sales Increased 0.9% In 1988 Rebound

Compiled by Our Staff From Dispatches

WASHINGTON — Sales of new homes in the United States rose 0.6 percent in December, closing out a year in which sales rebounded slightly after plunging during 1987, the Commerce Department said Thursday.

The Commerce Department said 1988 sales totaled 677,000 units, up 0.9 percent from the previous year. Last year's level was the highest since 750,000 homes were sold in 1986. Home sales had plunged 10.5 percent in 1987, with the decrease attributed to high mortgage interest rates and slowing demand after five strong years.

December's increase pushed the seasonally adjusted annual sales rate to 669,000 for the month, up from 665,000 in November. All of strength came in the Northeast, where sales rose 52.9 percent.

Separately, retailers said sales in January benefited from mild weather and low inventories and results for the month were better than had been expected. (AP, UPI)

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WALL STREET WATCH

Index Funds Can Affect The Stock Market at Large

By FLOYD NORRIS
New York Times Service

NEW YORK — Running an index fund would seem to be a dull way to make a living. But appearances can be deceiving, and last week index fund managers made big decisions that may have played a significant role in sending blue-chip stock prices up sharply.

An index fund simply attempts to duplicate an index, most often the Standard & Poor's 500. An index fund could get away with buying and holding the 500 stocks, were it not that corporate events ranging from bankruptcies to mergers keep forcing S&P to remove some companies and replace them with others.

When a change is made, the funds must buy the stock added, and sell the one deleted. But because the index is weighted by market capitalization, the funds also must trade in the other 499 stocks.

Last week index fund managers may have helped send blue-chip stock prices up sharply.

If the stock going into the S&P is smaller than the one coming out, then each of the 499 other stocks gets a slightly larger weighting in the index funds, and must be purchased. If the reverse is true, the index funds must sell shares in the other 499.

The pending change to the index is the removal of RJR Nabisco Inc., which is slated to be taken private in a leveraged buyout. RJR is now the 11th largest company in the S&P 500, making up 1.1 percent of the index. Its replacement is sure to be much smaller, so the index funds know they will soon be buying shares of all the other companies; the only questions are when and how many of each.

The answer to the latter question can be estimated. S&P has circulated a calculation that, assuming $150 billion is now invested in index funds and that the new company has a market value of $1 billion, makes it necessary for the index funds to buy $1.6 billion worth of shares in the 499 other companies.

The timing question is trickier. An index fund that began buying new shares weeks in advance would risk underperformance if the market moved lower over that period. One that waited until the last minute would face the same risk if stocks rose rapidly after the change was made.

Until last week, it was not known when S&P would act. One option would have been to do nothing when the tender offer was completed, waiting instead until the securities were distributed for the remaining RJR Nabisco shares. That distribution could be months away.

ON JAN. 23, S&P disclosed its plans to subscribers to one of its services but not to the general public. It then changed those plans twice during the week, creating confusion and possibly pushing share prices higher.

The first plan was based on the assumption that Kohlberg, Kravis, Roberts & Co., which is leading the buyers of RJR, would close the tender offer, as then scheduled, on Jan. 31. S&P, which tries to make changes in its index on Wednesdays, said the changes would be made on Jan. 25.

Unfortunately, the next day Kohlberg, Kravis delayed the tender offer completion until Feb. 6. S&P responded by postponing the removal of RJR until Feb. 1. Then, after trading ended for the week, S&P announced it had changed plans again. Now the change is to be made on Monday, on whatever later day the tender offer actually does close.

Fund managers try to spread their purchases over several days, to minimize market impact, so some probably began buying Tuesday, after getting the word of a replacement planned for the next day. As it happens, that is also the day that blue chip stocks, the type that dominate the S&P-500, turned around and began rising sharply.

Fed Chief Questions Budget

Rate Forecast May Be Too Low

Reuters

WASHINGTON — Alan Greenspan, chairman of the U.S. Federal Reserve Board, said Thursday that economic assumptions in the fiscal 1990 budget submitted by former President Ronald Reagan probably underestimated short-term interest rates.

The forecast calls for an average 6.3 percent rate on 90-day Treasury bills in 1989. President George Bush has not yet decided whether to endorse that forecast, but Richard G. Darman, the new budget director, has said that the president would adopt economic growth predictions submitted by Mr. Reagan.

Mr. Bush is expected to submit a budget plan in mid-February.

Mr. Greenspan told the House Ways and Means Committee that a forecast of lower interest rates was credible if the budget deficit was reduced as sharply as Mr. Reagan's plan envisaged.

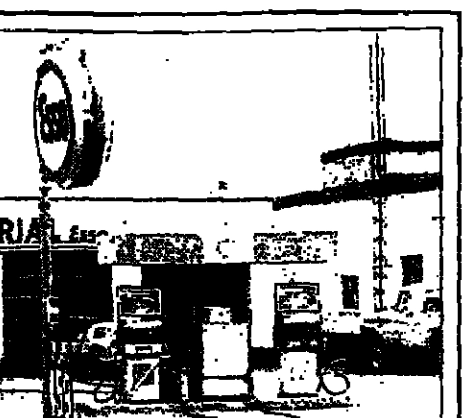
But, because short-term interest rates at the end of 1988 were already much higher than Mr. Reagan's budget foresaw, Mr. Greenspan added, it would "be very difficult for them to reach their 1989 target."

Mr. Greenspan said the Congressional Budget Office's 1989 growth forecast of 2.9 percent was more likely to prevail than Mr. Reagan's projection of 3.5 percent.

The Fed chairman also said it was urgent that the government reduce the budget shortfall. "The deficit already has begun to eat away at the foundation of our economic strength," his prepared testimony said, "and the need to deal with it is becoming ever more urgent."

Mr. Greenspan said that because of low U.S. savings rates, more than half of savings in the 1980s had been absorbed by the combined deficits of federal, state and local governments.

High interest rates associated with increased Treasury borrowing have reduced private investment. Furthermore, high rates have shifted investment away from long-lived assets, such as factories, toward computers and other shorter-lived equipment, Mr. Greenspan said.



Among the recent mergers in Canada were the sale of Texaco Canada to Imperial Oil of Canada and the union of Molson Breweries of Canada with Carling O'Keefe Breweries.

The New York Times

Merger Mania Sweeping Canada

Trend Accelerates With the Free-Trade Pact in Effect

By John F. Burns
New York Times Service

TORONTO — A spate of billion-dollar takeovers and mergers has swept through Canada in recent weeks, affecting the airline, beer, paper and gasoline industries.

The takeover wave, coming on the heels of Canada's ratification of a free-trade pact with the United States that took effect Jan. 1, has prompted mixed feelings among Canadians.

The government and many economists say that Canadian companies must grow to compete better in the United States and other markets and that competition will come from foreign companies, especially U.S. concerns, that enter Canada.

The government view was put forward by Harvie Andre, who, as minister of consumer and corporate affairs, is responsible for oversight of the Bureau of Competition Policy, which enforces antitrust laws.

"Mergers to enhance company strength through increased efficiency, consolidation, rationalization and so on — Hallelujah!" Mr. Andre said.

But other people have voiced concerns about a concentration of economic power. They fear higher prices, lower standards of service and less benign treatment of employees.

The unsettled feeling over the massive deals has deep historical roots. In 1670, as European exploration of the Canadian wilderness began, King Charles II granted Hudson's Bay Co. a trading monopoly through much of upper North America. Today Canada's population has grown to about 26 million, yet a relatively small group of family dynasties and corporations still dominates the economy to an extent unequaled in other Western industrial nations.

The pace of acquisitions and mergers has picked up in recent years. According to government figures, there were 1,082 registered consolidations in 1987, up nearly 70 percent since 1984. But there has never been a period like the one since mid-January, in which nearly $10 billion in corporate assets changed hands.

In what critics in the parliamentary opposition are calling "merger mania," the following deals have made headlines here in the past two weeks, each of which is subject to review by the Bureau of Competition Policy or by Investment Canada, the agency that monitors foreign investment, or both:

• The country's second- and third-largest breweries, Molson Breweries of Canada Ltd. and Carling O'Keefe Breweries of Canada Ltd., agreed to a $1.6 billion Canadian dollar ($1.35 billion) merger that left the new company, to be called Molson Breweries, with 53 percent of the domestic beer market and only one large competitor, John Labatt Ltd. Within days of announcing the merger, execu-

See CANADA, Page 14

U.K. Clears Way For £2 Billion Gold Fields Bid

Compiled by Our Staff From Dispatches

LONDON — Britain's antitrust authority cleared the way Thursday for a South African-controlled group to pursue a £2 billion ($3.5 billion) hostile takeover bid for Consolidated Gold Fields PLC, surprising analysts who had expected greater political opposition to the move.

The Monopolies & Mergers Commission, to which the government had referred the bid in October, decided not to block it on grounds of possible antitrust violations in strategic minerals.

The referral was widely viewed in Britain and the United States, where Gold Fields has extensive mining interests, as an attempt to spike an amalgamation that would greatly increase South African domination of the world mining, especially gold, industry.

If successful, the takeover by Minerals & Resources Corp., or Minorco, would be Britain's biggest and would create the largest mining conglomerate in the West. Minorco is the Luxembourg-based investment arm of Sir Harry Oppenheimer's Anglo American Corp. and De Beers Group.

Minorco, which launched its £13.06-a-share bid in September, owns almost 30 percent of Gold Fields and is thought by some analysts to be able to count on another 10 percent or so of the capital in so-called friendly hands. The bid values the whole of Gold Fields at about £2.9 billion.

Gold Fields shares rose to £14.19 from £13.05 on the London Stock Exchange, partly reflecting surprise in the City that the authorities had allowed the bid to proceed without conditions.

An analyst, who asked not to be named, conceded that the City had not been expecting a favorable decision, but added that the outcome of the antitrust inquiry was "a toss of a coin."

While the monopolies commission decided not to pursue the question of a monopoly in the minerals zircon and titanium — a relatively minor sector and one viewed by many as an illogical basis for such an inquiry — some analysts had expected the commission to attach conditions to any renewed Minorco bid.

Others pointed out that such conditions might have looked even more like thinly disguised political interference.

Separately, the Department of Trade and Industry is investigating alleged insider dealing in Gold Fields shares ahead of the bid. It has yet to report a finding.

Minorco now has three weeks to re-launch its bid, which automatically lapsed on referral to the monopolies commission, and several

See GOLD FIELDS, Page 14

EC Approves 2 Big Deals In Packaging

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission said Thursday that it had cleared two major mergers in the European packaging industry, one between MB Group PLC of Britain and Carnaud of France, the other between Groupe Pechiney of France and American National Can.

None of the link-ups would lead to an "abuse of a dominant position," which is banned under the European Community's treaty, the commission said.

But it warned that it would follow "market developments with particular vigilance" because of the "level of concentration in the European metal-packaging industry."

MB Group and Carnaud last October agreed to create CMB Packaging, combining the companies' packaging interests into a single company with expected sales of about £2 billion ($3.5 billion).

Pechiney's packaging subsidiary, Cebal, acquired American National Can in November. *(AP, AFP)*

Currency Rates

Cross Rates *Feb. 2*

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.1125	3.6955	1.129	0.3315	0.1545 *	—	5.39 *	1.3287	1.6341 *
Brussels(a)	39.23	68.6075	20.953	6.153	2.8465 *	18.5585	—	24.654	0.3035
Frankfurt	1.871	3.275	—	0.2934	0.1367 *	0.8857	4.773 *	1.1769	1.448 *
London (b)	1.7505	—	3.2733	11.1458	2,388.50	3.695	68.58	2.7748	226.12
Milan	1,369.50	2,392.25	731.32	214.72	—	647.58	34.876	859.10	10.565
New York(c)	—	1.745 b	1.8775	6.388	1,371.50	2.1205	39.34	1.5945	129.575
Paris	6.3760	11.152	3.4053	—	0.4659 *	3.0165	0.1625	4.002	4.927 *
Tokyo	129.95	227.41	69.45	20.40	0.951	61.56	3.3184	81.63	—
Zurich	1.600	2.7797	0.8492	0.2496	0.1163 *	0.7523	4.0511 *	—	1.2282 *
1 ECU	1.115	0.6375	2.0872	7.1011	1,524.69	2.3502	43.731	1.7744	144.163
1 SDR	1.3083	0.7476	2.4478	8.3417	N.A.	2.7638	51.3246	2.0802	169.948

Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	13.895	Fin. markka	4.295	Mex. peso	2300.00	S. Afr. rand	2.4055
Austral. $	1.1254	Greek drac.	155.00	N. Zealand $	1.646	Soviet ruble*	0.6221
Austr. schil.	13.18	Hong Kong $	7.7998	Nig. naira*	5.2995	Span. peseta	119.20
Belg. fin. fr.	38.45	Indian rupee	15.15	Norw. krone	6.769	Swed. krona	6.3435
Brazil cruz.	995.00	Indo. rupiah	1729.00	Phil. peso	20.61	Taiwan $	27.65
Canadian $	1.1892	Irish £	0.6985	Port. escudo	152.00	Thai baht*	25.285
Chinese yuan*	3.7221	Israeli shek.	1.817	Saudi riyal*	3.7508	Turkish lira	1855.00
Danish krone	7.275	Kuwaiti dinar*	0.2883	Sing. $	1.929	UAE dirham*	3.673
Egypt. pound	2.3529	Malay. ring.*	2.7255	S. Kor. won	680.00	Venez. boliv.	38.3000

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7436	1.7384	1.7336	Canadian dollar	1.1910	1.1929	1.1949
Japanese yen	128.67	128.37	127.83	Swiss franc	1.5876	1.5829	1.5783
Deutsche mark	1.8688	1.8634	1.8584				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *Feb. 2*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 months	[illegible]	6-6¼	[illegible]	[illegible]	8⅞-9	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	8⅞-9	[illegible]	[illegible]	[illegible]
6 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1 year	[illegible]	[illegible]	[illegible]	[illegible]	9-9¼	[illegible]	[illegible]	8

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SDR).
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *Feb. 2*

	Close	Prev.
United States		
Discount rate	6½	6½
Prime rate	10½	10½
Federal funds	9 1/16	8 15/16
Coml. paper 90-179 days	8.40	8.139
3-month Treasury bills	8.36	8.33
6-month Treasury bills	8.40	8.38
2-month CD's	8.75	8.75
3-month CD's	8.80	8.80
Japan		
Discount rate	2½	2½
Call money	3 15/16	3⅞
2-month interbank	4 17/32	4 17/32
3-month interbank	4 17/32	4 17/32
West Germany		
Discount rate	4.00	4.00
Lombard rate	6.00	6.00
Overnight rate	5.95	6.00
1-month interbank	5½	5½
3-month interbank	6.00	6.00
6-month interbank	6.20	6.20
Britain		
Bank base rate	13.00	13.00
Call money	12¾	12⅞
3-month interbank	13.00	13 1/16
6-month interbank	12¾	12 13/16
France		
Intervention rate	8¼	8¼
Call money	8½	8 9/16
1-month interbank	8⅝	8⅝
3-month interbank	8 15/16	8⅞
6-month interbank	8 15/16	8 15/16

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits *Feb. 2*

1 month	9⅛ - 9¼
2 months	9¼ - 9⅜
3 months	9¼ - 9⅜
6 months	9⅜ - 9½
1 year	9⅝ - 9¾

Source: Reuters.

U.S. Money Market Funds *Feb. 2*

Merrill Lynch Ready Assets
30-day average yield: 8.50
Telerate Interest Rate Index: 8.955
Source: Merrill Lynch, Telerate.

Gold

Feb. 2

	A.M.	P.M.	Ch'ge
Hong Kong	392.45	393.25	+ 2.40
Luxembourg	393.00	—	+ 2.00
Paris (12.5 kilo)	395.55	392.69	— 0.54
Zurich	393.45	391.35	— 0.60
London	392.70	391.10	— 1.70
New York	—	391.35	— 0.90

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Congressional Agency Expects Bigger Deficit

By Paul Blustein
Washington Post Service

WASHINGTON — In new projections that provide ammunition to critics of President George Bush's budget policies, the Congressional Budget Office has estimated that the U.S. budget deficit would substantially exceed next year's legal ceiling even if Congress enacted all the spending cuts proposed in President Ronald Reagan's final budget.

The deficit estimate by the CBO, which is the congress's economic forecasting arm, is considerably wider than one projected by the White House Office of Management and Budget and underscore the concerns that have been raised about the credibility of Mr. Bush's budget plan.

The CBO calculations apply to the budget proposed by the departed Reagan administration, but Mr. Bush has indicated that he is likely to endorse much of it.

The CBO, using an economic forecast much less optimistic than that of the OMB, estimated Wednesday that under the Reagan administration proposals the deficit still would be $120 billion — well above the $100 billion target set by the Gramm-Rudman-Hollings law.

The agency projected that the deficit would be $146 billion in fiscal 1990 if the budget were left on "automatic pilot" — that is, if current federal services and tax policies were left in place and appropriations grew no faster than the inflation rate.

By contrast, the OMB has estimated the deficit would be $92.5 billion in fiscal 1990 if the Reagan proposals were enacted and $127 billion under current policies.

One implication of the CBO figures is that the White House and Congress may find themselves in a jam next fall, when the Gramm-Rudman-Hollings law requires drastic, across-the-board cuts if the projected 1990 deficit has not been reduced to $100 billion.

Under the law, only the OMB's estimates count in determining whether the target has been achieved. But the CBO figures, which are based on an economic outlook similar to that of most private forecasters, suggest that if the economy behaves this year as those private economists expect, budget savings beyond those proposed in Mr. Bush's budget will be required to reach the target.

The difference in the two agencies' economic forecasts accounts for much of the discrepancy in their deficit estimates. In particular, the CBO projects substantially higher interest payments on the $2.6 trillion national debt because its forecast of interest rates is more pessimistic; the CBO believes long-term interest rates will be 2.5 percentage points higher, on average, than does the OMB over six years.

The CBO estimates that the deficit will be $159 billion in the current fiscal year and projects that under current spending and tax policies it would decline very gradually, to $130 billion in 1994. The OMB, by contrast, has projected that even without any changes in policy, the deficit would virtually disappear six years from now.

Repsol Offering Is Set By Spanish Government

Reuters

MADRID — Repsol, the Spanish state oil group, said Thursday that it would offer up to 30 percent of its stock to private investors in the country's biggest privatization.

The offering could raise around 165 billion pesetas ($1.4 billion), a stock market analyst said.

The chairman of Repsol, Oscar Fanjul, said about one-third of the shares being floated would be offered to institutional investors in the United States, Japan, West Germany, France, Britain and Switzerland.

Formed in 1987 through the merger of state-owned refining, chemicals and oil-exploration companies, Repsol is one of Spain's biggest companies.

Mr. Fanjul said net profit in 1988 was 55.91 billion pesetas, up 26 percent from 44.40 billion pesetas in the previous year.

The flotation is the most ambitious of its kind in Spain, where Prime Minister Felipe González has pursued the sale of state industries in recent years.

Last May, the sell-off of 20 percent of the state electrical utility, Empresa Nacional de Electricidad SA, raised 74.2 billion pesetas. At the time, it was Spain's biggest flotation ever and was seen as a forerunner to the flotation of Repsol.

The state airline, Iberia, also has plans to offer its shares to the public, but a spokesman said it would not occur before 1990.

Mr. Fanjul said at a news conference that the company would announce the price of the shares on April 20 and that it had applied for a listing on the New York Stock Exchange.

1014/89

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Crash Clouds Swedish Plane Project

JAS Gripen Disaster Comes as Group Seeks New Funding

By Barry James
International Herald Tribune

The only prototype of Sweden's JAS 39 Gripen fighter-bomber crashed spectacularly Thursday, casting doubt on the future of the nearly 25 billion kronor ($4 billion) project to supply the Swedish air force with one of the world's most advanced warplanes.

"The crash couldn't have happened at a worse time," said an aviation industry observer at Linkoping, where the aircraft is being built. "Only a week ago, it was officially announced the consortium was seeking an extra 7 billion kronor for the project, and this was to have been discussed in the spring."

The plane rolled violently as it came in for a landing, then it hit the runway hard after the nose reared up. It lost a wing and spun round several times before flipping over. The pilot, Lars Radestrom, was rescued.

A Swedish television crew filmed the crash, and officials of the Defense Materiel Administration confiscated film showing the plane's landing approach. Industry observers said that was apparently because it revealed possible defects in the fly-by-wire system.

The digital flight control system is being developed by a division of Lear Siegler Diversified Holdings Corp. of the United States.

The prototype made its first flight, several months behind schedule, in December and was on its sixth mission when the crash occurred.

The plane is being built by JAS Industry Group, comprising Saab-Scania AB's Saab Aircraft Division for the airframe and main systems; Volvo Flygmotor AB in collaboration with General Electric Co. of the United States for the engine; Ericsson Radar Electronics AB for the radar, cockpit displays and electronic countermeasure systems; and FFV Aerotech for the maintenance equipment.

Saab's nonvoting B shares fell 10 kronor, to 220, on news of the crash.

JAS stands for *jakt, attack* and *spaning* — or interceptor, attack and reconnaissance. The project is described as the first attempt to combine all three principal military functions in a single airframe, and the plane will carry about 40 separate computers to handle the various data-processing functions associated with the three combat roles.

Harald Schroder, director of the JAS group, said the possibility of a crash was a risk that had to be taken in developing a radically new aircraft. He said he did not know what caused the crash or what it would mean for the company.

Before seeking fresh funding, the consortium had agreed to develop and build five prototypes and the first 30 production models for 24.9 billion kronor at the currency's 1983 value. Delivery of a further 110 aircraft on option would have brought the total cost of the program to $6.4 billion according to original estimates, but $7.6 billion including the recently announced cost overrun.

This works out to more than $54 million for each plane. Because of Sweden's policy to limit military sales to neutral or Nordic countries, the only potential customer for the aircraft at the moment is the Swedish air force.

The Swedish chief of staff recently issued a report recommending that the aircraft's development be continued.

A British Bank Ads to Image Of Oliver North

The Associated Press

LONDON — Oliver L. North, who faces trial in the United States on 12 felony counts, including perjury, has been adopted by a U.K. bank for an advertising campaign.

A full-page ad by Girobank PLC in The Independent newspaper on Thursday showed Mr. North, in the uniform of the U.S. Marine he once was, raising his hand to take the oath before a congressional committee.

"With a few notable exceptions," the ad said, "no one can transfer your money round the world more efficiently than us."

Mr. North had testified before Congress about transferring large sums of money as part of an operation to sell U.S. and Israeli arms to Iran to raise money for the contra rebels fighting Nicaragua's Sandinista government.

Girobank, Britain's Post Office savings bank, was to be privatized last fall.

Reuters-UPI

Oliver L. North, when he was a Marine lieutenant colonel, being sworn in before a congressional committee in July 1987.

Saatchi Picked by Soviets For Advertising Campaign

Compiled by Our Staff From Dispatches

LONDON — The Soviet Union has turned to Saatchi & Saatchi, the world's largest advertising agency, to handle an advertising and marketing campaign, the firm said Thursday.

Gostelradio, the State Committee for Television and Radio, chose the London-based agency for campaigns both within the Soviet Union and in Eastern Europe, said a Saatchi spokesman, Michael Parker.

"The opportunities for television advertisers in the Soviet Union are tremendous," he said. "In Western terms, the costs are very low, while the impact of even one commercial can be startling."

Gostelradio is already running television ads for a number of Western companies, including British Airways, Benetton and Pepsi-Cola, on an experimental basis. It boasts 180 million viewers and listeners in the Soviet Union, and 30 million more in Eastern Europe.

At least initially, most of the advertising directed by Saatchi will be for Western concerns, but Mr. Parker said the firm would also try to encourage Soviet enterprises to use the media.

"Up until very recently, the Soviet Union had no experience whatever of advertising," he said. "Now the opportunities for television advertising are tremendous."

"In the short term, companies can use television simply to establish their reputation, even before there is much business," he said. "This will pay dividends in the long term."

Mr. Parker said Saatchi would advise Soviet authorities on how to handle advertising on its domestic radio and television as well as on Radio Moscow.

The speed of expansion would depend upon President Mikhail S. Gorbachev's success in opening up Soviet markets to Western goods, Mr. Parker said.

Jane Tarassova, legal executive of Gostelradio, said Soviet audiences had viewed experiments in television advertising so far as "a form of entertainment."

The advertising chairman at Saatchi, Bill Muirhead, said on Thursday he would also welcome a deal to polish Mr. Gorbachev's image, but added, "I don't think he needs it at the moment."

(AFP, Reuters)

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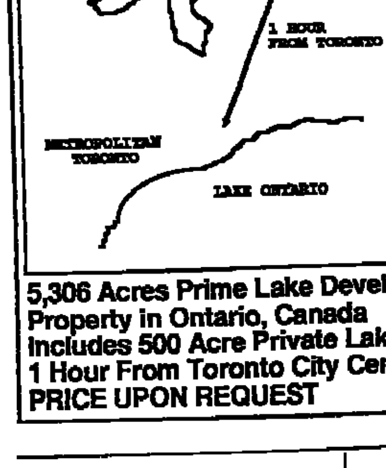

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BUSINESS ROUNDUP

Maxwell Plans $1 Billion Asset Sales

Reuters

LONDON — Robert Maxwell, the British publisher, said on Thursday that his company would dispose of $1 billion of assets to reduce debt incurred in its recent takeover drive.

He said Maxwell Communication Corp. would sell three Travel-age magazines produced by the Official Airlines Guides unit acquired from Dun & Bradsteet Corp. last year for $750 million.

The company also plans to sell Macmillan Inc. businesses, including its professional book club operation, Gump's specialty stores and mail order unit, Katherine Gibbs secretarial school and its vocational training division. Maxwell acquired Macmillan for about $2.6 billion last year.

Maxwell has already raised $1 billion from the sales of Macmillan's Michie Co. subsidiary, a 23 percent stake in the British publishing concern Norton Opax PLC and BPCC, the largest printer in Britain.

Mr. Maxwell said the units to be sold were not part of the core operations of Macmillan and the Officials Airlines Guides, and he noted that the total value of divestitures would rise to more than half the amount paid for the two companies.

In November, Mr. Maxwell confirmed plans to sell Macmillan assets. Before that, he had indicated that his company would pay for its heavily leveraged takeover of Macmillan by selling only Maxwell Communication assets.

Mr. Maxwell said the program of asset sales was proceeding speedily and at satisfactory prices.

"We have taken rapid and effective measures in reducing borrowings towards the level which will permit the consolidation of Macmillan and OAG into the MCC group," he said.

He said Maxwell Communication had bolstered and expanded Macmillan with three recent U.S. takeovers: the Barnell Loft and Crestwood House Inc. publishing houses and BRS Information Technologies, a leading supplier of databases for science and business.

He said he expected that Macmillan and OAG would be fully consolidated into Maxwell Communication this year.

"They are excellent acquisitions which will bring substantial benefits, both immediately and in the long term."

Until these companies are consolidated, Maxwell Communication said it would not enter into any further off-balance sheet acquisitions.

Analysts said news of the asset sales had been expected and Maxwell's stock closed at 202 pence on the London Stock Exchange, down one penny from the close on Wednesday.

Maxwell outbid Kohlberg, Kravis, Roberts & Co. for Macmillan in a contested battle last year. Robert M. Bass Group Inc., which had been an investor in the publishing concern, proposed to acquire Macmillan for $1.6 billion in May. After it raised its bid to about $1.94 billion in July, Maxwell offered $2.1 billion.

In September, Macmillan arranged a friendly takeover by Kohlberg, Kravis at about $2.36 billion, but Maxwell eventually prevailed with its bid after a court overruled an anti-takeover defense by the U.S. publisher.

Atari Sues Nintendo, Charging Monopoly

Agence France-Presse

SAN JOSE, California — Atari Corp. of the United States filed Thursday a $250 million suit against Nintendo Co., accusing the Japanese video-game manufacturer of monopolizing the market by forcing games creators to supply it exclusively.

"Developers are faced with the choice between selling games only to Nintendo customers or not selling," Atari said in a complaint filed in U.S. District Court.

Cadbury Makes Friendly Bid To Win Bassett

Reuters

LONDON — Cadbury Schweppes PLC stepped in Thursday to rescue another British concern, the candy maker Bassett Foods PLC, from a hostile Swedish offer with a bid that values Bassett at £91 million ($159.6 million).

Cadbury also bought 2.34 million shares, or 14.89 percent, of Bassett, whose brands include Liquorice Allsorts, Jelly Babies and Dolly Mixtures.

The deal was made a week after Bassett rejected a bid worth £63 million by the Swedish consumer-goods group Procordia AB. The Cadbury bid was for 579 pence a share, compared with 400 pence a share offered by Procordia.

The terms include eight new Cadbury ordinary shares for every five ordinary Bassett shares. The cash alternative is 536 pence a share. Bassett shareholders would hold about 4.1 percent of Cadbury's enlarged capital.

Mitsubishi Stake Boosts Chrysler Earnings

Compiled by Our Staff From Dispatches

NEW YORK — Chrysler Corp.'s fourth-quarter earnings jumped 23.8 percent from the level the previous year, boosted by an adjustment in the value of its equity investment in Mitsubishi Motors Corp.

In the quarter, Chrysler earned $433.6 million, or $1.85 a share, up from $350.2 million, or $1.57. But the profit was boosted $52.7 million, or 27 cents a share, by an adjustment in Chrysler's stake in Mitsubishi. The Japanese carmaker's stock price soared when it was listed on the Tokyo Stock Exchange.

Chrysler's sales rose 13.6 percent in the quarter, to $9.69 billion from $8.53 billion in the final three months of 1987.

For the 1988 year, Chrysler's income fell 18.6 percent, to $1.05 billion, or $4.66 a share, from $1.29 billion, or $5.90.

The results were depressed by a $150 million charge for previously announced closings in Chrysler's Acustar parts subsidiary. The charge reduced full-year earnings by $93.1 million.

Revenue for the year rose to $35.47 billion, up 21.2 percent from $29.26 billion.

Lee A. Iacocca, chairman of the automaker, said the company had achieved its key objectives during the year. He said those included the completion of Chrysler's takeover of American Motors Corp., an increase of its car and truck market share, and a strong end to the year in terms of earnings, "which moves us into 1989 with a lot of momentum."

Speaking in New York, Mr. Iacocca said Chrysler would pay an average $720 to each of its 115,000 employees next month in the first distribution under the company's profit-sharing plan.

The automaker said its share of the U.S. car market rose to 11.3 percent from 10.8 percent 1987. Chrysler's share of the truck market rose to 19.4 percent from 18.3 percent in 1987.

Chrysler said it had sold 2.22 million vehicles, compared with 1.92 million in 1987.

But Bennett Bidwell, chairman of Chrysler Motors Corp., said the automaking subsidiary's contribution to net profit fell below the company target of 75 percent.

Chrysler Financial Corp., the automaker's financing arm, reported a fourth-quarter profit of $74 million, up 23.3 percent from $60 million a year earlier. For the full year, it had a profit of $259 million, up 14.6 percent from the $226 million it earned in 1987.

On Wednesday, Chrysler became the last of the Big Three American automakers to announce a joint venture with a South Korean automaker. The company said Hyundai Motor Co. would build 30,000 midsize sedans a year in Canada beginning in 1991 for Chrysler. *(AP, Reuters UPI)*

■ Renault Deal Signed

Renault, the French government-owned automaker, said it and Chrysler had signed a letter of intent to develop and produce a small cross-country vehicle, Agence France-Presse reported from Paris.

Renault said 2.5 billion francs ($392 million) would be invested in the vehicle, known as JJ. It said 100,000 units would be turned out annually from two factories, one in Europe and the other in the United States.

GM Will Close Assembly Plant

Los Angeles Times Service

DETROIT — General Motors Corp., struggling to adjust to the reality that it no longer dominates the U.S. auto market, has announced plans to close an assembly plant in Framingham, Massachusetts.

The closing, slated for Aug. 1, will eliminate the jobs of 2,100 workers, as well as those of another 1,200 workers now on temporary layoff. The 40-year-old Framingham plant produces the Chevrolet Celebrity and Oldsmobile Cutlass Ciera models, part of an aging line of intermediate sedans that GM is slowly phasing out.

The closing, announced Wednesday, marks the 20th operation in North American — and the seventh assembly plant — that the world's largest automaker has announced plans to shut since 1986. Most of the closings were announced in November 1986.

Yamaha to Buy Into German Piano Maker

Agence France-Presse

TOKYO — Yamaha Corp., the world's largest maker of musical instruments, said Thursday that it would purchase a 24.9 percent stake in the West German piano maker, Wilhelm Schimmel Pianofortefabrik.

The deal is part of a recent agreement between the companies to exchange piano production expertise and research data, Yamaha officials said in Tokyo. Under that agreement, Schimmel will provide Yamaha with piano designs, obtaining Yamaha's streamlined production system in return.

Future plans also call for Schimmel to sell its products through the Yamaha sales network the officials said.

Schimmel reported piano sales of 57 million Deutsche marks ($30.5 million) last year, the Yamaha officials said.

Hong Kong Property Concern Rejects Bid

Compiled by Our Staff From Dispatches

HONG KONG — Deacon Chiu, a prominent Hong Kong businessman, has rejected a hostile takeover bid for the property concern Far East Consortium Ltd., he said Thursday, just after selling his one-third stake in Asia Television Ltd., a commercial television operation.

Mr. Chiu described as "unsolicited and unwelcome" a 1 billion Hong Kong dollar ($128.2 million) offer Wednesday from Tse Sui Luen Jewellery Holdings Ltd., a locally listed jewelry maker, for Far East Consortium, which owns properties in Hong Kong, Singapore and Malaysia.

Mr. Chiu and his family were estimated to hold around 38 percent of Far East Consortium, whose property portfolio includes an office tower in Hong Kong's Central business district, a residential development in Singapore and a commercial complex in Kuala Lumpur, Malaysia.

The bid came one day after Mr. Chiu's decision to sell his stake in ATV for 237 million dollars to two local property companies, Lai Sun Development Co. and New World Development Co.

The flurry of activity surrounding Mr. Chiu's companies followed his appearance in court in November, when he was charged with two counts of conspiracy to falsify accounts of the Far East Bank, of which he is chairman. The court case was adjourned until Feb. 10.

Just after his court appearance, he announced he would resign as ATV chairman on May 1, amid heavy speculation that Cheng Yu Tung, who heads New World Development, was poised to become the next chairman.

Trading in Far East Consortium resumed Thursday after a suspension at midday Wednesday at the request of the Hong Kong Stock Exchange.

Tse Sui Luen's offer price was 1.20 dollars a share, compared with Far East's estimated net asset value of at least 1.80 dollars a share.

Far East's share price has been hovering slightly above one dollar recently.

The sale of Mr. Chui's stake in ATV to two companies backed by wealthy Hong Kong families is expected to give the television station the teeth to more effectively compete against its rival, Television Broadcasts Ltd., which dominates the Hong Kong television market, analysts said. Lai Sun Development is headed by Peter Lam.

But it could be five years before the smaller station grows large enough to take a real bite out of TVB's profits.

Caspar Li, research director at Citicorp Scrimgeour Vickers, said it could take up to five years for higher profits at ATV to filter through to shareholders.

TVB and ATV are locked in a wage fight, which was sparked last July when ATV launched a campaign to overhaul its flagging image, starting with fresh management. It offered higher wages to lure news broadcasters, scriptwriters and stars from TVB.

A new programming schedule is to be announced soon, an ATV spokeswoman said.

Brokers said the overhaul bodes well for ATV.

"TVB has practically held a monopoly for five or six years but, frankly, I don't think they've made the most of it," an analyst said. *(AFP, Reuters)*

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Canada

Inco

4th Quar.	1988	1987
Revenue	995.00	578.40
Profits	219.00	75.80
Per Share	2.06	0.70
Year	1988	1987
Revenue	3,350.	1,830.
Profit	735.40	125.20
Per Share	6.92	1.09

All figures in u.s. dollars.

Sweden

Electrolux

Year	1988	1987
Revenue	74,000.	67,430.
Profits	3,700.	3,060.
Per Share	25.80	28.40

United States

Alco Standard

1st Quar.	1989	1988
Revenue	985.50	920.50
Oper Net	21.60	20.00
Oper Share	0.45	0.42

Net excludes gains of $57.30 millions vs $2.67 millions.

Allied Signal

4th Quar.	1988	1987
Revenue	3,010.	2,960.
Oper Net	104.00	77.00
Oper Share	0.70	0.50
Year	1988	1987
Revenue	11,910.	11,120.
Oper Net	463.00	515.00
Oper Share	3.10	3.07

Armco

Year	1988	1987
Revenue	3,230.	2,930.
Net Inc.	145.40	117.60
Per Share	1.57	1.38

Bausch & Lomb

4th Quar.	1988	1987
Revenue	264.30	210.70
Net Inc.	28.90	25.20
Per Share	0.97	0.84
Year	1988	1987
Revenue	978.30	840.30
Net Inc.	97.90	85.30
Per Share	3.27	2.81

Boatmen's Bankshares

4th Quar.	1988	1987
Net Inc.	(a)11.60	21.60
Per Share	—	0.63
Year	1988	1987
Net Inc.	69.80	96.40
Per Share	2.01	2.83

a: loss.

Butler Manufacturing

4th Quar.	1988	1987
Revenue	173.10	168.20
Net Inc.	3.89	(a)3.77
Per Share	0.87	—
Year	1988	1987
Revenue	645.60	615.00
Net Inc.	15.30	3.72
Per Share	3.41	0.77

a: loss.

Cabot

1st Quar.	1989	1988
Revenue	480.10	386.70
Net Inc.	22.80	15.60
Per Share	0.81	0.57

CalFed

4th Quar.	1988	1987
Net Inc.	17.60	30.50
Per Share	0.70	1.23
Year	1988	1987
Net Inc.	134.80	164.90
Per Share	5.39	6.67

1988 nets include loss of $2.4 million.

Citadel Holding

4th Quar.	1988	1987
Net Inc.	4.88	8.77
Per Share	1.48	2.60
Year	1988	1987
Net Inc.	24.10	28.20
Per Share	7.32	8.20

Net after pretax loss $0.16 million vs $1.57 million in quarter and $1.63 million vs $2.07 million in year.

Clark Equipment

4th Quar.	1988	1987
Revenue	345.60	290.00
Net Inc.	12.00	(a) 5.22
Per Share	0.70	—
Year	1988	1987
Revenue	1,280.	1,050.
Net Inc.	46.10	(a)14.60
Per Share	2.70	—

a: loss.

Coca-Cola

4th Quar.	1988	1987
Revenue	2,030.	1,990.
Net Inc.	235.50	193.00
Per Share	0.65	0.52
Year	1988	1987
Revenue	8,340.	7,660.
Net Inc.	1,040.	916.10
Per Share	2.85	2.43

Compaq Computer

4th Quar.	1988	1987
Revenue	667.70	432.10
Net Inc.	91.90	49.00
Per Share	2.18	1.25
Year	1988	1987
Revenue	2,070.	1,220.
Net Inc.	255.20	136.30
Per Share	6.30	3.59

Computer Sciences

3rd Quar.	1988	1987
Net Inc.	12.00	10.30
Per Share	0.75	0.65
9 Months	1988	1987
Net Inc.	35.40	29.70
Per Share	2.23	1.86

Greyhound

4th Quar.	1988	1987
Revenue	838.40	714.60
Oper Net	23.80	18.50
Oper Share	0.61	0.49
Year	1988	1987
Revenue	3,300.	2,580.
Oper Net	93.30	82.80
Oper Share	2.42	2.10

Guilford Mills

2nd Quar.	1989	1988
Net Inc.	3.41	4.70
Per Share	0.35	0.46
1st Half	1989	1988
Net Inc.	8.52	9.62
Per Share	0.87	0.92

Hercules

4th Quar.	1988	1987
Net Inc.	6.52	37.50
Per Share	0.15	0.73
Year	1988	1987
Net Inc.	120.40	320.70
Per Share	2.55	14.74

Jefferson Smurfit

4th Quar.	1988	1987
Revenue	312.00	290.40
Net Inc.	38.30	31.30
Per Share	0.98	0.81
Year	1988	1987
Revenue	1,260.	1,100.
Net Inc.	144.50	92.00
Per Share	3.72	2.39

Per share results adjusted for 2-for-1 stock split paid August 1988.

Knight Ridder

4th Quar.	1988	1987
Revenue	574.70	527.10
Oper Net	42.00	48.10
Oper Share	0.76	0.83
Year	1988	1987
Revenue	2,080.	1,970.
Oper Net	146.80	148.70
Oper Share	2.59	2.54

Lafarge

4th Quar.	1988	1987
Revenue	332.50	317.10
Net Inc.	20.40	18.80
Per Share	0.41	0.41
Year	1988	1987
Revenue	1,310.	1,220.
Net Inc.	93.50	75.00
Per Share	1.96	1.65

MCI Communications

4th Quar.	1988	1987
Revenue	1,430.	1,040.
Net Inc.	122.00	23.00
Per Share	0.46	0.08
Year	1988	1987
Revenue	5,140.	3,940.
Net Inc.	346.00	64.00
Per Share	1.23	0.22

Mead

4th Quar.	1988	1987
Revenue	1,040.	1,060.
Oper Net	54.80	34.70
Oper Share	0.85	0.55
Year	1988	1987
Revenue	4,460.	4,210.
Oper Net	364.10	218.20
Oper Share	5.54	3.47

Nalco Chemical

4th Quar.	1988	1987
Net Inc.	28.10	22.00
Per Share	0.72	0.56
Year	1988	1987
Net Inc.	106.00	80.30
Per Share	2.70	2.03

Newell

4th Quar.	1988	1987
Net Inc.	21.20	13.50
Per Share	0.78	0.47
Year	1988	1987
Net Inc.	988.20	719.70
Per Share	2.18	1.37

Northern States Pwr

4th Quar.	1988	1987
Net Inc.	22.30	28.80
Per Share	0.27	0.39
Year	1988	1987
Net Inc.	214.80	204.90
Per Share	3.11	3.01

Nynex

4th Quar.	1988	1987
Net Inc.	342.20	322.50
Per Share	1.74	1.59
Year	1988	1987
Net Inc.	1,220.	1,280.
Per Share	6.63	6.26

Pacific Enterprises

4th Quar.	1988	1987
Oper Net	41.10	48.80
Oper Share	0.62	0.80
Year	1988	1987
Oper Net	222.10	224.60
Oper Share	3.51	3.69

Pennzoil

4th Quar.	1988	1987
Revenue	624.80	498.70
Net Inc.	36.10	19.10
Per Share	0.88	0.37
Year	1988	1987
Revenue	2,274.	1,836.
Net Inc.	1,475.	45.50
Per Share	37.58	0.72

Phillips Petroleum

4th Quar.	1988	1987
Net Inc.	135.00	33.00
Per Share	0.55	0.12
Year	1988	1987
Net Inc.	650.00	35.00
Per Share	2.72	0.06

Potomac Electric Pwr

4th Quar.	1988	1987
Net Inc.	33.30	31.60
Per Share	0.33	0.31
Year	1988	1987
Net Inc.	211.10	208.20
Per Share	2.14	2.11

Premark Int'l

4th Quar.	1988	1987
Revenue	651.20	621.90
Net Inc.	31.90	26.60
Per Share	0.91	0.77
Year	1988	1987
Revenue	2,400.	2,200.
Net Inc.	105.30	71.50
Per Share	3.03	2.06

1988 includes loss of $15.9 million in year.

Reebok Int'l

4th Quar.	1988	1987
Revenue	330.60	340.20
Net Inc.	6.73	34.20
Per Share	0.06	0.30
Year	1988	1987
Revenue	1,790.	1,390.
Net Inc.	137.00	165.20
Per Share	1.20	1.49

Spring Industries

4th Quar.	1988	1987
Revenue	484.20	457.80
Net Inc.	23.50	16.40
Per Share	1.32	0.92
Year	1988	1987
Revenue	1,820.	1,460.
Net Inc.	52.80	55.70
Per Share	2.98	3.13

1988 net includes charges of $11.2 million in year.

Southwest Airlines

4th Quar.	1988	1987
Revenue	225.80	193.90
Net Inc.	16.10	8.92
Per Share	0.51	0.28
Year	1988	1987
Revenue	860.40	778.30
Net Inc.	58.00	20.20
Per Share	1.84	0.63

Stanley Works

4th Quar.	1988	1987
Revenue	486.20	458.50
Net Inc.	30.40	26.20
Per Share	0.71	0.61
Year	1988	1987
Revenue	1,910.	1,760.
Oper Net	103.50	96.30
Oper Share	2.40	2.22

1987 net excludes loss of $9.70 million in year.

Tribune

4th Quar.	1988	1987
Revenue	624.70	581.00
Net Inc.	62.90	43.20
Per Share	0.84	0.56
Year	1988	1987
Revenue	2,330.	2,150.
Net Inc.	210.40	141.50
Per Share	2.78	1.80

Union Texas Petrol

4th Quar.	1988	1987
Revenue	254.80	309.70
Net Inc.	14.80	12.50
Per Share	0.03	0.09
Year	1988	1987
Revenue	1,150.	1,280.
Net Inc.	109.30	55.90
Per Share	0.73	0.05

USF & G

4th Quar.	1988	1987
Revenue	1,470.	1,360.
Net Inc.	79.50	87.80
Per Share	0.92	1.09

USX

4th Quar.	1988	1987
Revenue	4,400.	4,300.
Net Inc.	158.00	(a)14.00
Per Share	0.55	—
Year	1988	1987
Revenue	16,900.	14,900.
Net Inc.	756.00	219.00
Per Share	2.62	0.54

a: loss.

Warner Lambert

4th Quar.	1988	1987
Revenue	997.90	899.00
Net Inc.	77.50	64.30
Per Share	1.14	0.95
Year	1988	1987
Revenue	3,910.	3,440.
Net Inc.	340.30	295.80
Per Share	5.00	4.15

Xerox

4th Quar.	1988	1987
Revenue	4,400.	4,100.
Net Inc.	(a)77.00	155.00
Per Share	—	1.43
Year	1988	1987
Revenue	16,400.	15,100.
Net Inc.	388.00	578.00
Per Share	3.50	5.35

a: loss.

Yellow Freight Sys.

4th Quar.	1988	1987
Revenue	523.70	459.30
Net Inc.	18.80	11.40
Per Share	0.65	0.40
Year	1988	1987
Revenue	2,020.	1,760.
Net Inc.	69.00	41.30
Per Share	2.40	1.44

Witco

4th Quar.	1988	1987
Revenue	384.00	348.40
Net Inc.	20.40	13.00
Per Share	0.86	0.57
Year	1988	1987
Revenue	1,590.	1,430.
Net Inc.	91.90	63.30
Per Share	3.86	2.72

ADVERTISEMENT

INTERNATIONAL FUNDS

February 2, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

Fund	Cur.	Price
AL-MAL GROUP		
(w) Al-Mal Trust, S.A.	$	310.02
(r) Managed Currency	$	1183.00
(r) Futures	$	752.78
(w) Equity	$	1033.16
(w) Bond	$	1050.61
ALPHA ASSET MANAGEMENT LTD.		
(m) Alpha Global Fund	$	519.82
(w) Nicholas-Applegate Aurelia.	$	118.14
BANK JULIUS BAER & CO. Ltd.		
(d) Baerbond	SF	961.00*
(d) Conbar	SF	1815.00*
(d) Equibaer America	SF	1495.00*
(d) Equibaer Europe	SF	1453.00*
(d) Equibaer Pacific	SF	1729.00*
(d) Stockbar	SF	2029.00*
(d) SFR-BAER	SF	1003.00*
(d) Swissbar	SF	2315.00*
BAII MULTICURRENCY		
(r) Multicurrency US$	$	1,242.30
(r) Multicurrency Ecu	ECU	1,142.39
(r) Multicurrency Yen	Y	242,880.00
(r) Multicurrency FFR	FF	10,908.41
BNP INTERFUNDS		
(w) Interbond Fund	$	181.14*
(w) Intercurrency US$	$	10.34*
(w) Intercurrency DM	DM	29.75*
(w) Intercurrency Sterling	£	10.05*
(w) Intercurrency Managed	$	10.40*
(w) Interequity French Offer	$	14.56
(w) Interequity Pacific Offer	$	16.46
(w) Interequity N. Amer. Offer	$	12.00
(w) Interequity European Class	$	8.91
(w) Interequity Australia Cls	$	10.80
(w) Interlux Capital Belgian	LF	55,344.00
(w) Interlux Cap.Fr Securite	FF	10,972.95
(w) Interlux Capital FFr	FF	21,828.58
(w) Interlux Cap.France Cap.	FF	10,742.25
(w) Interlux Cap. LUF/BEF	LF	67,268.00
(w) Interlux Capital ECU	ECU	1,224.49
BANQUE BELGE ASSET MGMT FUND		
Shore Distributor Guernsey 0481 26614		
(w) Int'l Equity Fund (Sicav)	$	11.02
(w) Int'l Bond Fund (Sicav)	$	10.47
BANQUE INDOSUEZ		
(d) Asian Growth Fund	$	26.39
(w) Asian Income Fund	$	9.26*
(w) Diverbond	SF	85.05
(w) FIF-Internat. Div.A	$	17.70
(w) FIF-Internat. Div.B	$	18.12
(w) FIF Internat.America	$	14.86
(w) FIF Internat.Europe	$	26.19
(w) FIF Internat.Pacific	$	44.36
(w) France International	FF	98.30
(w) France Blue chips No 1	FF	114,726.16
(w) Indosuez Multibonds Div.A	$	129.83
(w) Indosuez Multibonds Div.B	$	272.30
(w) Indosuez Multibonds US$	$	104.43
(w) Indosuez Multibonds DM	DM	101.95
(w) Indosuez Multibonds YEN	Y	10,149.00
(w) FIF Internat.Japan	Y	1,104.00
(w) FIF Int. Nat. Res. A	$	10.72
(w) FIF Int. Nat. Res. B	$	10.72
(w) IPNA-3	$	1128.00
(w) Malacca Fund	$	10.14
(w) The Siam Fund	$	13.17
(w) Pacific Gold Fund	$	12.36
BANQUE PRIVEE E. DE ROTHSCHILD		
(b) Cursitor BP Fixed Inc.Fund	DM	107.29
(b) Cursitor BP General Fund	DM	125.42
(b) Daiwa Lcl Equity	$	1011.47
(b) Daiwa Lcl Int. Bond	$	1055.01
(b) Eagle Fund	LF	10296.00
(b) Ecu D'Or	ECU	96.85
(b) Governm. Sec. Fund*	$	75.08
(b) Leicom	$	2276.03
(b) Opportunities Fund	$	821.21
(b) Primop fund	DM	47.72
(b) Prifirst	$	490.00
(b) Pri-Tech	$	1174.79
(b) Rente Plus	BF	57184.00
(i) Select. Horizon Dev.	FF	51526.41
(b) Select. Horizon FF	FF	54713.89
(b) Source Sicav	$	11.13
(b) Star Conv.Fund FL	FL	10191.00
(b) Star Conv.Fund USD	$	99.77
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) BSS Bond Fund	SF	79.05
(w) BSS Intelsec	SF	1633.16
(w) BSS Int'l Bond	$	1.220
(w) BSS Int'l Equity	$	1.965
B.F.A.C.M.		
(w) Ecu Multiplacement	ECU	1153.04
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	11.87
(d) Non-$ Money Market	DM	29.58
(w) $ Bond	$	12.81
(w) Non-$ Bond	DM	31.21
(w) Global Equity	$	16.45
(w) Global Bond	$	12.88
(w) Global Bond & Equity	$	13.39
(w) Prec. Metals/Min. Secs	$	6.69
B.W MANAGED ASSETS CY, SICAV		
(t) Global Bond Fund	ECU	10.62
(t) European Securities Fund	ECU	11.87
(t) French Securities Fund	FF	118.64
(t) North American Secu.Fund	$	9.77
(t) Pacific Basin Secu. Fund	$	10.05
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux-Obl.FSES	FF	5,456.90
(d) Fructilux-Obl.Euro	ECU	1,020.60
(w) Fructilux-Act.Fses	FF	6,881.52
(w) Fructilux-Act.Euro	ECU	1,115.91
(d) Fructilux-Tresorier	FF	5,458.47
CALLANDER		
(w) Callander Emer. Gr.	$	100.47
(w) Callander Fund-Asset	$	100.47
(w) Callander Fund-Span.	Ptas	10,124
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	84.60
(w) Capital Italia SA	$	33.04
CIC GROUP		
(d) Oblicic Monetaire	FF	10876.77
(d) Oblicic Court Terme	FF	11199.12
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citinvest Liquidity	$	1224.28
(d) Citinvest Ecu Income	ECU	1270.54
(d) Citinvest Manag. Growth	$	1128.40
(d) Citi.Mana.Growth Euro	ECU	998.58
(d) Citinvest Profit Sharing	$	929.49
(d) Citinvest Selector	$	894.65
(d) Citinvest Guardian $	$	1041.43
(d) Citinvest Guardian Euro	ECU	1072.69
CITITRUST		
(w) US. $ Equities	$	204.49799
(w) US. $ Bonds	$	11.26965
(w) US. $ Money Market	$	11.34987
(w) Global Equities	$	10.18000
(w) Global Money Market	$	11.13000
(w) Global Bonds	$	11.13000
CCF - GAMMA		
(w) CM Actibonds	$	37.11
(w) CM Global Growth	$	11.34
(w) CM North Amer Grth	$	8.82
(w) Elysees Court Terme	FF	56,235.21
(w) Elysees Long Terme	FF	53,117.65
(w) Elysees Monetaire	FF	56,897.65
(d) Europe Prestige Fund	ECU	10.28
(w) European Smlr Cos. Fd.A	ECU	11.95
(w) European Smlr Comp.Fd.B.	ECU	11.95
CODEVALOR SICAV		
(w) C.Rendement Fr.Suisse	SF	1937.30
(w) C.Rendement US$	$	1429.45
(w) C.Croissance Dollar	$	1484.39
(w) C.Croissance Zone Sterling	£	878.84
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
(w) Bond:Dollar Medium Term	$	10.34
(w) Bond:Ecu Multicurrency	ECU	10.03
(w) Equity:United Kingdom	£	10.30
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	79.50
(d) Bond Valor Swf	SF	104.85
(d) Bond Valor US-DOLLAR	$	116.63
(d) Bond Valor D-mark	DM	112.42
(d) Bond Valor Yen	Y	10,739.00
(d) Bond Valor £ Sterling	£	99.62
(d) Convert Valor Swf	SF	159.05
(d) Convert Valor US-DOLLR	$	169.62
(d) CSF International	SF	125.00
(d) Actions Suisses	SF	515.25
(d) Europa-Valor	SF	206.00
(d) Energie-Valor	SF	146.50
(d) Canasec	SF	631.80
(d) Ussec	SF	573.00
(d) Pacific-Valor	SF	240.25
(d) CS Gold Valor	$	155.59
(d) CS Ecu Bond A	ECU	100.88
(d) CS Ecu Bond B	ECU	115.57
(d) CS Gulden Bond A	FL	99.85
(d) CS Gulden Bond B	FL	111.04
(d) CS Prime Bond 'A'	DM	103.75
(d) CS Prime Bond 'B'	DM	102.75
(d) CS Short-T. Bd DM A	DM	99.08
(d) CS Short-T. Bd DM B	DM	109.39
(d) CS Short-T. Bd $ A	$	96.36
(d) CS Short-T. Bd $ B	$	109.00
(d) CS Money Market Fund	$	1353.80
(d) CS Money Market Fund	DM	1194.38
(d) CS Money Market Fund	£	1399.73
(d) CS Money Market Fd Yen	Y	113,221.00
DIT INVESTMENT FFM		
+(d) Concentra	DM	37.00
+(d) Int'l Rentenfond	DM	83.46
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
(w) Finsbury Group Ltd	$	142.89
(m) Winchester Capital	$	106.84
(w) Winchester Holdings	FF	137.61
(w) Winchester Holdings	£	14.37
(w) Winc.Holdings Ltd.E.B.S	ECU	1111.30
(w) Winc.Reserves.E.B.S	ECU	1066.00
(w) Winc.Reserv.MultiGv.Bd.	ECU	11.86
(w) Worldwide Securities	$	29.35
(w) Worldwide Special	$	702.71
(m) Winch Fut.Diversified	$	22.78
(m) Winch Fut.Orion Series	$	22.19
(m) Winchester Frontier	$	165.17
(m) Winchester Recovery Ltd	$	92.26
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.,St. Helier :0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d)Inc.: Bid. $ 14.11 Offer.	$	14.543*
@(d)Cap.: Bid. $ 19.36 Offer.	$	19.961
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	1.2064
(d) Short Term 'A' (Distr)	$	0.7838
(d) Short Term 'B' (Accum)	$	1.4916
(d) Short Term 'B' (Distr)	$	1.8631
(w) Long Term	$	29.04*
ELDERS INTL. MGMT. SERVICES INC.		
W. Rafter, President (212) 573-8440		
(d) EFF	$	295.23
(d) ESP	$	113.52
(d) EMR	$	100.83
ELDERS SWITZ.(038) 24 79 79		
(w) Elders Inf Bid SF 100.50 Offer	SF	106.50
(w) Elders Aus Bid A$ 88.75 Offer	A$	94.08
EQUIFLEX LIMITED		
(w) Europe A	FL	10.37
(w) Global A	FL	11.50
(w) North America A	FL	10.03
EURO PACIFIC ADVISERS Ltd.		
(w) Comete	$	764.38
(w) Meteore	Y	121,195.00
(w) Pacific Horizon Invt. Fd	$	1707.59
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pountney Hill, EC4. 01-623-4680		
(w) F&C Atlantic	$	17.11
(w) F&C European	$	32.64
(w) F&C Oriental	$	79.47
(w) F&C N. American M C Fd	$	8.74
(w) F&C Nordic Fund	$	10.50
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid. Amer. Val.II Com.	$	83.52
(m) Fid. Amr.Val.II Cum.Pref.	$	100.50
(m) Fid. Amer. Val.III Com.	$	41.14
(m) Fid. Amr.Val.III Cum. Pref.	$	100.54
(d) Fidelity Amer. Assets	$	109.53
(d) Fidelity Australia Fund	$	15.72
(d) Balanced Portfolio-hedged	$	11.30
(d) Balanced Portfolio-unhedg	$	10.35
(d) Fidelity Discovery Fund	$	16.45
(d) Fidelity Dir. Svgs.Tr.	$	157.00
(d) Fidelity Far East Fund	$	64.04
(d) Fidelity Frontier Fund	$	19.43*
(d) Fidelity Global Ind. Fd	$	12.69
(d) Fidelity Global Selct Fd	$	11.20
(d) Fidelity Int'l. Fund	$	13.17
(d) Fidelity Orient Fund	$	95.07
(d) Fidelity Pacific Fund	$	316.50
(d) Fidelity Spcl. Growth Fd.	$	30.61
(d) Fidelity World Fund	$	64.43
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	8.91
(d) Dollar Liquidity Portfolio	$	10.14
(d) European Portfolio	$	1.22
(d) Global Convs. Portfolio	$	0.95
(d) Hard Curr. Liquidity Pftl.	$	8.95
(d) Intl. Bond Portfolio	$	0.96
(d) Intl. Equity Income Pftl.	$	1.01
(d) Japan Portfolio	$	1.32
(d) Recovery Portfolio	$	1.04
(d) South East Asian Portfolio	$	0.97
(d) Sterling Liquidity Pftl.	£	10.22
(d) U.K. Portfolio	£	1.09
FOKUS BANK A.S. 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.54
FORBES PO 887 GRAND CAYMAN		
London Agent 01-839-3013		
(w) Forbes High Inc. Gilt Fd	£	50.68
(w) Gold Income	$	5.46
(w) Gold Appreciation	$	4.73
GAIA CURRENCY HEDGE FUNDS		
(w) Gaia Hedge I	$	88.83
(w) Gaia Hedge II	$	130.67
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel.41-1-2516640		
(w) GAM (CH) America	SF	1130.00
(w) GAM (CH) Mondial	SF	1246.00
(w) GAM (CH) Pacific	SF	1412.00
GARTMORE FUND MANAGERS INT.		
45,La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) Sterling Deposit	£	1.087*
(d) US$ Deposit	$	1.858
(d) DM Deposit	DM	5.134
(d) Yen Deposit	Y	513.80
(d) Sw. Fr. Deposit	SF	5.104
(d) Austr.Dollar Dep. fd	A$	1.100
(d) French Franc Deposit fd	FF	10.47
(d) N. American	$	1.37
(d) Japan	Y	592.00
(d) Pacific Basin	Y	275.00
(d) International growth	$	2.68
(d) British	£	1.37
(d) Sterling Gilt	£	1.07*
(d) International Bond	$	1.34
(d) Yen Convertible bond	Y	2648.00
(d) European Fund	ECU	1.04
(d) E.C.U. Fund	ECU	1.06
(d) Australasian fund	$	0.30
(d) Canadian fund	Can$	0.84
(d) Emerging Markets Fund	$	0.87
(d) Global Resources Fund	$	0.71
GEFINOR FUNDS		
London:01-4994171, Geneva:41-22355530		
(w) East Investment Fund	$	1019.4500
(w) Scottish World Fund	£	186.8983
(w) State St. American	$	241.6900
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	$	27.02*
(d) Capital Rentinvest	$	117.14
(d) Rentinbel Distr.	LF	9,817.00*
(d) Rentinbel Cap.	LF	10,326.00
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St,Douglas,I. of Man,44-624-26037		
(w) Futurgam S.A.	$	161.22
(w) GAM Arbitrage Inc	$	223.45
(w) GAMerica Inc	$	209.92
(w) GAM Australia Inc.	$	140.37
(w) GAM Asean Inc	$	106.21*
(w) GAM Boston Inc	$	139.69
(w) GAM Ermitage	$	23.56
(w) GAM Far East	$	128.92
(w) GAM Franc-Val Inc.	SF	224.17
(w) GAM France Inc.	FF	1350.68
(w) GAM Global Fund	$	112.04
(w) GAM High Inc Unit Trust Inc	£	115.99
(w) GAM High Inc Unit Trust Acc	£	115.99
(w) GAM High Yield Inc.	$	105.71
(w) GAM Hong Kong Inc.	$	202.90*
(w) GAM International Inc.	$	148.75
(w) GAM Japan Inc.	$	388.32
(w) GAM Money Mkts. Fund	$	101.25*
(w) GAM Money Mkts. Fund	£	101.49*
(w) GAM Money Mkts. Fund	SF	100.45*
(w) GAM Money Mkts. Fund	DM	101.01*
(w) GAM Money Mkts. Fund	Y	10,033.00*
(w) GAM N.AM. Unit Trust Inc.		118.09 p
(w) GAM N.AM. Unit Trust Acc.		130.20 p
(w) GAM Pacific Basin Fund	$	106.02
(w) GAM PACIFIC Inc	$	413.34
(w) GAM Restr. Fd. Inc.	$	147.45*
(w) GAM Singapore/Malay Inc.	$	132.09
(w) GAM Ster Eur Unit Trust Inc	£	109.34
(w) GAM Ster Eur Unit Trust Acc	£	109.34
(w) GAM Swiss Fr Spec Bond Fd	SF	101.75
(w) GAM U.K.Spec Unit Tr. Inc.	£	131.22
(w) GAM U.K.Spec. Unit Tr.Acc.	£	137.27
(w) GAM £ & Intl Unit Trust Inc	£	310.07
(w) GAM £ & Intl Unit Trust Acc.	£	315.99
(w) GAM Value Inc.	$	100.38
(w) GAM Worldwide Inc	$	408.51
(w) GAM Tyche S.A. Class A	$	172.14
(w) GAM U.S. Inc.	$	128.72
(w) GAM Whitethorn Fund Inc.	$	121.96
(w) GAM ut Inc.	$	202.76
(w) GSAM Composite Inc.	$	197.65*
(w) GSAM Int. Inc U.S Ord.	$	107.79*
(w) GSAM Int. Inc.U.S Spe.	$	124.90*
(w) GSAM Interest Inc.	SF	102.76*
(w) GSAM Interest Inc.	DM	102.89*
(w) GSAM Interest Inc.	£	98.24*
(w) GSAM Interest Inc.	Y	11,848.00*
G.T. MANAGEMENT PLC		
(r) G.T. Applied Science	$	13.96
(d) G.T. ASEAN Fund	$	32.46
(d) G.T. Asia Fund	$	11.25*
(d) G.T. Australia Fund	$	32.90*
(d) G.T. Berry Japan Fund	$	32.45*
(w) G.T.Biotech./Health Fund	$	8.02
(d) G.T. Bond Fund	$	16.32*
(w) G.T. Britain Fund	£	9.01
(d) G.T. Deutschland Fund	$	9.60
(d) G.T. Dollar Fund	$	17.52*
(d) G.T. Europe Fund	$	27.18
(w) G.T.Euro. Small Cos. Fund	$	25.31
(w) G.T.Global Small Cos.Fund	$	11.41
(d) G.T.Global Technology Fd	$	16.76*
(d) G.T. Hong Kong Fund	$	26.43*
(d) G.T. Honshu Pathfinder	$	9.32
(d) G.T. Investment Fund	$	10.46*
(w) G.T. Japan Sml Co.Fd	$	11.25*
(w) G.T. Nat Res. Fd Gold Class	$	7.97
(w) G.T. Newly Ind. Countr. Fd	$	24.47
(d) G.T. Select Dollar Bd Pfl	$	9.25
(d) G.T. Select Int Bd Pfl.	$	9.38*
(d) G.T. Select Gilt Pf.	£	9.20*
(r) G.T. Technology Fund	$	31.99
(d) G.T. U.K. Small Companies	£	10.60
(d) G.T. Univ.Growth Fund	$	10.46
(w) G.T. U.S. Small Companies	$	18.60
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	17.67
(d) CSF (Balanced)	SF	35.22
(d) European Equity Fund	DM	15.85
(d) Intnl. Bond Fund	$	12.86
(d) Int. Currency U.S.Manag'd	$	25.06
(d) ITF Fd (Technology)	$	19.93
(d) O'Seas Fd (N. AMERICA)	$	44.09
(d) Int. Currency U.S.	$	32.31
IAM, 2 Bd. Royal LUXEMBOURG		
(d) Iam Flagship Fund	ECU	91.59
(w) Iam Bonds Fund-France	FF	535.01
(w) Iam Bonds Fund-Deutschl	DM	209.82
(w) Iam Bonds Fund-Japan	Y	10,981.00
(w) Iam Bonds Fund-Switz.	FS	205.28
(w) Iam Bonds Fund-U.S.A	$	106.37
(w) Iam Bonds Fund-Europe	ECU	110.09
(w) Iam Bonds Fund-Netherl.	FL	213.47
INTERSELEX GROUP		
(d) Int.America Fund	$	14.71*
(d) Int.Belgo Fund	LF	3093.00
(d) Int.Europa Sicav	LF	6041.00
(d) Int.Pacific Fund	$	1365.35*
(d) Int.World Fund	$	94.30*
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	13,189.00
(d) J.F Pacific Sec. Trust	$	27.94
(d) J.F Pacific Income Trust	$	88.81*
(d) J.F Hong Kong Trust	$	69.95*
(d) J.F European	$	9.30
(d) J.F International	$	12.80
(d) J.F Currency & Bond	$	16.03
LLOYDS BANK PLC, POB 438, Geneva 11		
Mrs. C. Berteletti,(22) 208611/ext. 2222.		
+(w) Lloyds Int'l Dollar	$	107.50*
+(w) Lloyds Int'l Europe	SF	168.80
+(w) Lloyds Int'l Growth	SF	221.60
+(w) Lloyds Int'l Income	SF	281.50
+(w) Lloyds Int'l N. America	$	139.15
+(w) Lloyds Int'l Pacific	SF	253.50
+(w) Lloyds Int'l. Smaller Cos	$	16.25
MAGNUM FUTURES FUND LTD.		
(m) Sterling Class	£	5.01
(m) U.S Dollar Class	$	10.09
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) First Convertible Sec. Fd	$	11.43
(d) Iberia portfolio	$	10.22
(d) Multi-Curr. Bond Portfolio	$	13.37
(d) U.S.A Income Portfolio	$	9.23
(d) US Federal Securites	$	9.66
(d) World Nat Res Pfl. Share A	$	10.13
(d) World Nat Res Pfl. Share B	$	10.05
MIM BRITANNIA, POB 271, St. Helier, Jersey		
(d) Int.High Income	$	2.573*
(d) Dollar Man.Curr	$	14.660*
(d) Dollar Man. Port	$	2.025
(d) Sterling Man.Port	£	1.618
(d) Pioneer Markets	£	2.447
(d) U.K. Growth	£	1.005*
(d) Amer. Inc. & Growth	$	1.325*
(d) Gold & Prec. Metals	$	1.006*
(d) Sterling Man. Curr.	£	17.300
(d) Japan Dollar Perf. Fd	$	4.186
(d) Jersey Gilt	£	0.1930
(d) Okasan Global Strat	$	16.200*
(d) Asia Super Growth Fund.	$	11.100
NIMARBEN		
(w) Class A	$	119.57
OBLIFLEX LIMITED		
(w) Multicurrency	$	20.05
(w) Dollar Medium Term	$	14.96
(w) Dollar Long Term	$	14.14
(w) Japanese Yen	Y	27.86
(w) Pound Sterling	£	15.11
(w) Deutsche Mark	DM	12.74
(w) Dutch Florin	FL	12.97
(w) Dutch Florin Multi.	FL	10.29
(w) Swiss Franc	SF	11.42
(w) Swiss Multicurrency	SF	11.85
(w) European Currency	ECU	13.95
(w) Convertibles	$	10.20
(w) Swiss Multi-dividend	SF	10.04
PARIBAS-GROUP		
(d) Belux Fund	LF	10,462.00
(d) Cortexa International	$	117.37
(d) Ecupar	ECU	1,344.55
(d) Far East Growth Fund	$	156.89
(d) Luxor	$	9.19
(d) Paroli-Fund	$	
(d) Pareurope Growth	$	19.10
(d) Parinter Fund	$	214.29
(d) Par US Treas. Bond 'CL B'	$	141.00
(d) Europhenix	FF	1,306.39
(d) Parinter Bond Fund	$	13.52
(d) Paribas-Rente	LF	1,283.0
(d) Obli-Franc	FF	1,168.68
(d) Obli-dm	DM	1,222.80
(d) Obligestion	SF	91.00
(d) Obli-Dollar	$	1,198.50
(d) Obli-Yen	Y	107,543.00
(d) Obli-Gulden	FL	1,050.13
(d) Parsuisse	SF	1,345.80
(d) Parjapan	Y	33,339.00
PERMAL GROUP		
(m) Drakkar Growth	$	1729.45
(m) Nascal Ltd	$	1084.70
(m) Select Equities Ltd	$	899.30
(m) Special Opportunities Ltd	$	1629.09
(m) Value N.V.	$	1909.13
PIERSON,HELDRING & PIERSON N.V.		
POB 243,1000 AE Amsterdam (20-211188)		
(w) Asia Pac. Growth Fd N.V.	$	39.92
(w) DP Amer. Growth Fd N.V.	$	22.34
(w) DP Energy Resources	$	34.81
(w) Europe Growth Fund N.V.	FL	52.05
(w) Japan Diversified Fund	$	59.51
(w) Leveraged Cap Hold	$	280.11
(w) Tokyo Pac. Hold. (Sea)	$	178.21
(w) Tokyo Pac. Hold. N.V.	$	244.22
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	13.61
(d) Putnam Em. Info. Sc. Tr	$	12.28
(d) Putnam Int'l Fund	$	10.23
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
(d) Robeco	FL	104.20
(d) Rolinco	FL	99.50
(d) Rorento	FL	61.60
(d) Rodamco	FL	159.50
ROYAL B. CANADA,POB 246,GUERNSEY		
+(w) RBC British Fund Ltd.	£	5.12*
+(w) RBC Canadian Fund Ltd	C$	14.26*
+(w) RBC European Fund	$	11.24
+(w) RBC Far East&Pacific Fd	$	34.76
+(w) RBC Int'l Capital Fd	$	48.25
+(w) RBC Int'l Bond Fund Ltd.	$	12.09
+(d) RBC Man.Currency Fd	$	38.08
+(w) RBC North Amer. Fd	$	14.30
ROYAL TRUST ASSETMIX FUND		
Lux.Tel:(352)489061		
EQUITY FUNDS		
(d) Alpha UK	£	1.10
(d) Alpha US$	$	1.10
(d) Alpha Worldwide	SF	5.16
(d) Alpha Japanese	Y	1011.00
(d) Alpha Pacific Rim	$	1.04
(d) Alpha European	ECU	1.01
(d) Gold Share	$	1.02
BOND FUNDS		
(d) Sterling Pound	£	101.62
(d) US$ Bond	US$	100.19
(d) Deutschmark Bond	DM	49.88
(d) Alpha Worldwide	SF	50.18
RESERVE FUNDS		
(d) Sterling Reserve	£	10.31
(d) US$ Reserve	$	10.12
(d) Deutschmark Reserve	DM	10.08
SHEARSON LEHMAN HUTTON		
(d) Offshore Multiple Opps.	$	9.72
OFFSHORE PORTFOLIOS (OP)		
(d) OP Global balanced	$	10.95
(d) OP Precious Metals	$	9.66
(d) OP Global Bond	$	10.32
(d) OP US Share	$	10.77
(d) OP Global Equity	$	11.41
(d) OP Pacific Equity	$	10.54
(d) OP Euro Equity	$	10.88
(d) OP US Govt Securities	$	10.40
(d) OP Global Money Market	$	9.71
(d) OP US Money Market	$	10.00
INTERNATIONAL PORTOFOLIOS (IP)		
(d) IP Global Balanced	$	11.00
(d) IP Precious Metals	$	9.40
(d) IP Global Bond	$	10.28
(d) IP US Share	$	11.08
(d) IP Global Equity	$	11.44
(d) IP Pacific Equity	$	10.71
(d) IP Euro Equity	$	10.89
(d) IP US Govt-securities	$	10.43
OFFSHORE SHORT-TERM INVEST. (OSI)		
(d) OSI Deutsche Mark	$	8.85
(d) OSI Japanese Yen	$	9.31
(d) OSI Pound Sterling	$	9.37
(d) OSI US Dollar	$	10.08
(d) OSI Managed Currency	$	9.99
(d) OSI Canadian Dollar	$	10.49
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w) Equity Intl Acc	$	11.02
(w) Equity Intl Inc	$	10.31
(d) Equity Global	$	1.00
(w) Equity Far East	$	1.74
(w) Equity Gold	$	0.91
(w) Equity Japan	Y	113.00
(d) Equity Nordic	$	1.02
(d) Equity U.K.	£	1.03
(d) Equity Continental Europe	$	0.98
(d) Equity Mediterranean	$	0.98
(d) Equity North America	$	1.00
(w) Bond Intl Acc	$	7.79
(w) Bond Intl Inc	$	6.51
(w) High Income Acc	$	1.02
(w) High Income Inc	$	0.98
(d) DEM	DM	0.98
(w) Multicurrency	$	1.0710
(d) FRF	FF	1.00
SOCIETE GENERALE GROUP		
(w) Sogelux Fund		
(w) Sogelux Bonds A	$	10.95
(w) Sogelux Bonds B	DM	21.27
(w) Sogelux Bonds C	FF	82.76
(w) Sogelux Bonds D	SF	20.00
(w) Sogelux Bonds E	£	7.90
(w) Sogelux Bonds F	Y	1621.00
(w) Sogelux Bonds G	ECU	11.28
(w) Sogelux Bonds H	$	11.23
(w) Sogelux Bonds J	BF	539.00
(w) Sogelux Equities K	$	10.47
(w) Sogelux Equities L	ECU	10.85
(w) Sogelux Equities M	YEN	1538.00
(w) Sogelux Equities P	$	10.46
(w) Sogelux Equities Q	$	9.86
(w) Sogelux Equities R	$	10.79
(w) Sogelux Short Term S	FF	106.60
(w) Sogelux Short Term T	ECU	10.43
SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse,L-2330 Luxembourg		
(b) SHB Bond Fund	$	41.11
(w) Svenska Select.Fd Intl Sh.	$	48.90
(w) Svenska Select.Fd America Sh	$	10.30
(w) Svenska Select.Fd Asia Shares	$	9.74
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	SF	425.25*
(d) AngloValor	£	177.22*
(d) Asia Portfolio	SF	542.57
(d) Dollar Bond Selection	$	128.63*
(d) D-Mark Bond Selection	DM	117.76*
(d) Ecu Bond Selection	ECU	99.91*
(d) Florin Bond Selection	FL	119.04*
(d) FranceValor	FF	1682.37*
(d) GermaniaValor	DM	442.35*
(d) Gold Portfolio	SF	516.78
(d) ItalValor	Lit	453,301.00*
(d) Japan Portfolio	SF	408.75*
(d) SBC US$ MMF	$	5437.76
(d) SBC 100 Index Fund	SF	1010.00
(d) Sterling Bond Selection	£	104.65*
(d) Swiss Foreign Bond Selec	SF	106.48*
(d) Swissvalor	SF	354.25*
(d) Universal Bond Select.	SF	78.25*
(d) UniversalFund	SF	123.36*
(d) Yen Bond Selection	Y	11,473.00
THORNTON MANAGEMENT LTD.		
(d) Thornton Int opps.fund	$	1.99
(d) Pacific Invt. Fd. S.A.	£	9.14
(d) Pac.Invt. Warrants Fd.S.A.	£	4.14
(d) Thornton Kangaroo Fd Ltd.	$	11.14
(d) Thornton European Fund	$	4.29
(d) Thornton HK & China	$	13.47
(d) Thornton Japan Fund Ltd	$	26.61
(d) Thornton Orient.Inc. Fd Ltd	$	18.80
(w) Thornton Phil. Redev. Fd	$	32.91
(d) Thornton Tiger Fund Ltd	$	23.87
(d) Thor.Pacific Tech.Fd Ltd	$	11.85
(d) Thor.Lill. Dragons Fd Ltd	$	14.41
(d) Thor.Golden Opport.Fd	$	7.09
(d) Eastern Crusader Fund.	$	6.91
(d) The Global Access Fund.	$	9.69
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	39.38
(d) Eurobond	$	27.85
(d) Mortgage	C$	12.53
(d) Overseas	$	24.67
(d) Tiger	$	34.65
(d) High Yield Bond	£	72.80*
(d) Marunouchi	£	71.10
(d) Far Eastern	£	514.60
(d) Gilt	£	492.80
(d) Mgd Currency-Dollar	$	1.388
(d) Mgd Currency-Stlg	£	106.200
(d) 1992	£	223.500
(d) Wall Street	£	208.700
(d) HI Inc Gilt & Bulldog	£	106.900
UEBERSEEBANK, ZURICH		
(d) B-FUND	SF	974.14
(d) M-FUND	SF	1040.54
(d) M-Distribution	SF	98.98
(d) UBZ Euro-Income Fund	SF	18.09
UNION BANK OF SWITZERLAND		
(d) Bond-Invest	SF	62.00*
(d) DM-Invest bonds	DM	212.00
(d) ESPAC Spanish sh	SF	196.00*
(d) Fonsa Swiss Sh.	SF	181.00
(d) Francit French Sh.	SF	194.00*
(d) Germac German Sh.	SF	181.50*
(d) Globinvest sh.	SF	108.00
(d) SFr.-Invest bonds	SF	204.58
(d) Sima (stock price)	SF	256.50*
(d) Yen-Invest bonds	SF	1104.00
(d) UBS Money Mkt Inv.	$	5079.62
(d) UBS Money Mkt Inv.	£	2044.90
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	39.10
(d) Unifonds	DM	28.20
(d) Unirak	DM	76.50
(d) Unizins	DM	111.80
THE UNIVERSAL GROUP OF FUNDS		
(m) Canada Gtd-Mortgage Fd.	C$	12.12
(d) Univers Sav Amer	C$	9.57
(d) Univers Sav Equity	C$	12.53
(d) Univers Sav Global	C$	5.35
(d) Univers Sav Pacific	C$	9.14
(d) Univers Sav Nat. Res	C$	6.21
VERYFINANCE LIMITED		
PB122 St. Peter Port, Guernsey, 0481-26641		
(w) The Islamic Mamt Fund Ltd.	$	1060.64
Other Funds		
(r) Acticroissance	$	80.45
(r) Actifinance Intl	$	901.96
(w) Actigestion	FF	1099.59
(w) Activest Intl	$	19.99
(d) Amvabel	FL	98.70
(w) Aquila International Fund	$	239.30
(d) Ariane	$	3,449.46
(d) Atlas Fund	SF	117.44
(r) Australia Fund	$	16.22
(w) Authority bond shares	$	10.91
(w) Authority growth shares	$	10.40
(w) Bahamas Superfund	$	906.00
(d) Bias Manad Bond Fund	$	175.48
(w) Berg Norden Sicav	$	127.53
(d) Berg Trust Sicav	$	109.70
(w) Bergen Int'l Fund.	$	10.85
(d) Bever Beleggingen++	$	25.50
(m) Bonar Currency & Int.	$	97.16
(w) Bondselex-Issue Pr.	SF	134.75
(d) Cash Gestion	FF	9639.29
(d) CB German Index Fund	DM	101.72
(m) Cleveland Offshore Fd.	$	33.88
(w) Columbia Securities	FL	98.36
(w) Convert. Fd. Int'l A Certs	$	18.42
(w) Convert. Fd. Int'l B Certs	$	58.34
(w) Cumber Intl N.V.	$	214.51
(w) Daiwa Japan Fund	Y	9585.00
(w) D.G.C.	$	162.65
(w) DIVERSIF. BOND FUND	$	108.68
(d) D-mark-Baer Bond Fd.	DM	1664.00*
(d) Dollar-Baer Bond Fd	$	1108.00*
(w) D. Witter Wld Wide Ivt Tst.	$	22.77
(d) Dreyfus America Fund	$	14.68
(w) Dreyfus Fund Int'l.	$	55.94
(w) Dreyfus Intercontinent	$	54.49
(w) Esprit Sicav	ECU	1071.85
(w) Espirito Sto Inv M 5th Eur Fd.	$	9.99
(d) Europe Obligations	ECU	73.15
(w) Fairfield Int'l Ltd.	$	123.30
(w) First Eagle Fund	$	38,244.83
(w) F.I.T. Fund H	FF	106.21
(w) Fonditalia	$	70.64
(w) Fonselex Issue Pr.	SF	189.70
(d) Forexfund Limited	$	8.76
(w) Formula Selection Fd.	SF	66.85
(d) Frankl-Trust Effekten Fd	DM	139.22
(d) Frankl-Trust Interzins	DM	41.62
(w) George V INV. BOND F.	$	17.80
(w) Green Line France	FF	637.41
(w) Haussmann Hldgs. N.V.	$	239.72
(w) Health 2000 Ltd	$	9.47
(w) Hestia Funds	$	129.26
(w) Horizon Fund	$	1839.50
(w) Ibex Holdings Ltd.	SF	163.93
(w) IFDC Japan Fund	$	362.61
(r) ILA-IGB	$	6.51
(r) ILA-IGS	$	9.97
(m) IncAmerica N.V.	$	13.23
(m) IncAsia N.V.	$	10.65
(w) Intercu Fund	ECU	1182.81
(w) Interface Fund Ltd.	$	134.26
(d) Interfund SA	$	35.94
(w) Intermarket Fund	$	358.81
(r) Int'l Securities Fund	$	26.88
(w) Intersec SA	$	3295.41
(d) Investa DWS	DM	58.97
(r) Invest Atlantiques	$	14.80
(r) Italfortune Int'l Fund SA	$	48.98
(m) Japan Selection Asses.	Y	9,976.00
(w) Japan Selection Fund	$	217.48
(w) Japan Pacific Fund	$	329.66
(w) Kleinwort Bens. Jap. Fd.	$	255.08
(d) KML-II High Yield 02/01/88	$	964.17
(w) Korea Growth Trust	$	40.10*
(w) LACO International	$	6.60
(d) Liquibaer	$	1674.00
(m) London Portfolio G'td. I.	$	100.80
(w) Luxfund	$	96.78
(m) Lynx Sel.Holdings	SF	107.21
(m) Maro Ltd.	$	48.99
(d) Mediolanum Sel. Fd.	$	36.18
(w) ML-Mor Lev H Yld.	$	10.36
(d) NCA FUND	$	11.05
(w) Nippon Fund	$	109.00
(m) NMT Asian Sel. Portfolio	$	166.24
(w) NMT Citadel Bond Pfl.	SF	107.60
(m) NMT Nastec Portfolio s/s	$	91.55
(d) NM Inc. & Growth Fund	$	15.48
(d) Nomura-Cap Int Eq Fd	$	12.52
(d) Nordmix	Lit	10598.00
(m) NSP F.I.T.	$	254.68
(m) Oppenheimer U.S.Arb.	$	117.57
(m) Overlook Perfor.	$	1099.40
(d) Pacific Nies Fund	$	10.04
(d) PAM Futures Trad.	$	1012.43
(w) Pancurri Inc.	$	115.17
(w) Prosp. I.H.Inc.P.F.01/27/88	$	10.11
(w) Protected Perfor. Fund	$	0.73
(w) Quantum Fund N.V.	$	12539.10
(w) Rep.(Guernsey) Dol.Inc.fd	$	9.43
(w) Samurai Portfolio	SF	314.20
(d) Sanwa Kle.Spain Fd	$	9.88
(d) Sarakreek Holding n.v.*++	$	37.80
(d) SCI/Tech. SA Luxembourg	$	10.29
(w) Spectrafund Ltd.	$	16.44
(w) SP International S.A.	$	4197.65
(d) Stella Fund	$	675.00
(d) Strat Int'l Gold Fund S.A.	$	6.71
(w) Sussex Silverman	$	841.00
(w) Techno Growth Fund	SF	65.32
(d) Templeton Glob Inc.	$	10.36*
(w) The Petrus Fund Ltd.	$	N/C
(m) TIIC(O.T.C) Jap.fd Sicav	$	10.06
(w) Transco Gold Mine Inv.	$	3.50
(w) Transpacific Fund	$	263.55
(w) Trans Europe Fund	FL	69.11
(w) Tudor B.VI Futures.LTD	$	2732.30
(d) Turquoise Fund	$	202.09
(w) Tweedy,Browne n.v.Cl.A	$	3379.40
(w) Tweedy,Browne n.v.Cl.B	$	1851.31
(m) Tweedy,Browne (U.K.) n.v.	$	1320.09
(d) Unico Inv.Fund	DM	73.97
(d) Unico Equity.Fund	DM	58.11
(d) Uni Bond Fund	$	1714.39
(r) Uni Capital Fund	$	1625.86
(d) Univers Bonds	DM	128.54
(w) Updyke Fund Ltd.	$	242.55
(w) Vanderbilt Assets	$	16.77
(d) Vesper Flux	BF	9031.00
(d) Victoria Fund	$	14684.26
(w) Willerband Capital	$	13.64
(d) World Fund S.A.	$	22.90
(d) World Balanced Fund S.A.	$	10.99
(m) Zweig Int'l Ltd	$	78,475.00

A$ - Australian Dollars; BF - Belgium Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p - pence; Ptas - Pesetas; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price Incl. 3% prelim. charge; ~ - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

INTERNATIONAL CLASSIFIED

(Continued from Page 12)

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Fujitsu Plans Chip Plant In Europe

Agence France-Presse

TOKYO — The Japanese electronics giant Fujitsu Ltd. plans to build a semiconductor plant in an unidentified European country, a spokesman said Thursday.

The spokesman, who refused to elaborate, was commenting on a report in the Financial Times of Britain that said Fujitsu planned to build a $100 million microchip plant in northeastern England.

The Fujitsu plan comes a week after Toyota Motor Corp., Japan's biggest carmaker, said it would build a plant with an annual capacity of 200,000 cars in Britain.

The moves are being seen in Tokyo as attempts by Japanese firms to prepare for the unification of the 12-nation European Community after 1992.

The British plant, which would be highly automated, would not create many jobs directly, but should create spinoff effects in the unemployment-hit region, the Financial Times said.

GOLD FIELDS: *U.K. Clears Way for Minorco Bid*

(Continued from first finance page)

analysts expect this to be done at a slightly sweetened £14 to £15 per share.

A Gold Fields spokesman, Hugh Impey, said of the go-ahead, "It is the end of a chapter," but added, "We aren't at all frightened" about waging "a financial defense."

However, analysts said that any revaluation of assets by the mining giant aimed at demonstrating the inadequacy of the bid could backfire, focusing attention on management's return on assets before the bid became a factor in the share price — when the stock was trading below £10.

Gold Fields' chairman, Rudolf Agnew, has said that a takeover by Minorco would seriously damage the British company's interests.

"No one can doubt that South African control is a considerable handicap to growth outside South Africa," he said in a document rejecting the bid.

Anglo American holds 39.1 percent of Minorco, while De Beers has 21 percent.

The British group has waged war against the proposed bid on several fronts, at a cost that some analysts think has run upward of £20 million. In New York, Gold Fields has sued Chemical Bank over its partnership in a consortium that would provide Minorco with up to £1 billion financing to complete the offer.

Reuters

Sir Harry Oppenheimer, head of a family empire that extends well beyond South Africa.

Minorco has said that a successful merger would transform the Luxembourg-based company into an expansionist natural-resources group with assets of between $5 billion and $6 billion.

Analysts reckon the acquisition would raise South African control of the non-Communist world's gold mining to about 70 percent from a current 60 percent.

The ruling to let the bid go ahead was in line with Prime Minister Margaret Thatcher's free trade policies and dislike of political sanctions against Pretoria.

The Trade and Industry Secretary, Lord Young, shrugged off the opposition attack. "From now onward it's up to the shareholders to decide," he said on television.

Mr. Agnew had argued that Gold Fields' quarrying subsidiary, ARC PLC, could lose contracts in Britain, while its U.S. unit, Newmont Mining Corp., which Minorco has said it intends to sell if its bid succeeds, would face similar problems.

Officials in the United States, Australia and Papua New Guinea have voiced objections to the Minorco bid.

In its battle to block the offer, Gold Fields has also complained to the British government's Office of Fair Trading that De Beers, which owns 21 percent of Minorco, was involved in unfair diamond trading in London. It said Tuesday that it believed De Beers's Central Selling Organization, which controls 80 percent of world diamond trading, might be breaking British cartel laws.

If the Office of Fair Trading finds there is a case to answer, it could refer the De Beers operations to the monopolies commission.

(Reuters, IHT, AP, UPI)

CANADA: *Wave of Big Corporate Mergers Drawing Mixed Reactions*

(Continued from first finance page)

tives disclosed that they would cut 1,400 jobs and close 7 of 16 breweries.

● Wardair Ltd., the smallest of Canada's three major airlines, agreed to a 250 million dollar takeover by PWA Corp., owner of the second-largest carrier, Canadian Airlines International. With more than 100 jets in its combined fleet, PWA has set its sights on challenging Air Canada at home and abroad. Max Ward, founder of Wardair, has warned that 1,500 of the company's 4,500 jobs may be lost.

● Texaco Inc. announced that it would sell its Canadian subsidiary, Texaco Canada Inc., to Exxon Corp.'s Canadian unit, Imperial Oil of Canada Ltd. The 4.9 billion dollar buyout will give Imperial Oil, long Canada's largest energy company, 36 percent of the country's capacity for refining and marketing petroleum products, a share that Imperial has said it is ready to reduce by selling assets. The deal guarantees Texaco's 3,200 Canadian employees jobs for two years, but sharp reductions are likely after that.

● Stone Container Corp., a Chicago-based maker of cardboard containers, paper bags and newsprint, announced that it had won an agreement to allow a 2.6 billion dollar takeover of Consolidated-Bathurst Inc., one of Canada's largest pulp and paper manufacturers. The deal with Consolidated's majority shareholder, Power Corp. of Montreal, will give Stone Container control of operations that include 50 plants in Canada and Europe, 15,600 workers and 2.3 billion dollars in annual revenues. Stone Container has said it would not lay off any of Consolidated's workers.

Recent Billion-Dollar Deals

Figures in Canadian dollars.

Buyer	Target	Amount (in billions)	Date
Amoco	Dome Petroleum	$5.5	Sept. 1988
Nova	Polysar Energy and Chemical	1.9	Nov. 1988
Imperial Oil of Canada	Texaco Canada	4.9	Pending
Stone Container	Consolidated-Bathurst	2.6	Pending
Molson Breweries of Canada	Carling O'Keefe Breweries of Canada	1.6*	Pending

* Combined value of merged assets; the Canadian dollar is currently worth 84 cents in U.S. currency.

While approving of the trend toward larger corporate entities, the government has been careful to underline its determination to encourage foreign competition.

In the past week, the government has resisted intense pressure to retreat from its decision to allow American Express Canada Inc. to establish a banking subsidiary. Canadian banks, which are prevented by law from owning nonfinancial businesses, have protested that other nonfinancial companies from the United States may eventually be allowed to enter banking.

Finance Minister Michael H. Wilson told a delegation of the country's most powerful bankers in Ottawa last week that the American Express decision would stand.

"We're looking at this as a way of increasing competition, of providing better service," he said. "The banks are looking at it from the standpoint of their shareholders."

When the free-trade pact with the United States went into effect, it started a 10-year period in which the two countries will eliminate all remaining tariffs on trade, now at $150 billion annually, and abolish or lower numerous other trade and investment restraints.

After a general election in November in which the accord was assailed as a blueprint for making Canada an "economic colony" of the United States, bitterness has erupted anew.

Labor and consumer groups, together with some economists, have attributed the rash of restructurings to pressures to achieve the economies of scale needed in a continental market with 270 million consumers.

"The corporations decided we should have free trade, and now we're hearing about nothing but mergers and closures," said Shirley Carr, president of the Canadian Labor Congress.

James Laxer, an economist at York University in Toronto, offered a similar view: "The logic of free trade is combine, get powerful or die."

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Belgium	B.Fr.	11,000	7,200	6,000	3,300
Denmark	D.Kr.	2,700	1,304	1,500	830
Finland	F.M.	1,760	1,334	970	540
France	F.F.	1,500	1,230	830	455
Germany	D.M.	580	403	320	176
—*hand delivery	D.M.	739	103	379	199
Gr. Britain	£	135	102	74	41
Greece	Dr.	23,500	31,100	13,250	7,300
Ireland	£Ird.	155	118	85	47
Italy	Lire	360,000	295,200	200,000	110,000
Luxembourg	L.Fr.	11,000	7,200	6,000	3,300
Netherlands	Fl.	600	492	340	185
Norway (airmail)	N.Kr.	2,000	1,276	1,100	600
—**hand delivery	N.Kr.	2,500	776	1,400	700
Portugal	Esc.	26,000	32,240	14,300	7,900
Spain (airmail)	Ptas.	31,000	23,600	17,000	9,400
—***hd.del. Barcelona, Bilbao, Seville	Ptas.	31,000	21,780	17,000	9,400
—***hd.del. Madrid	Ptas.	46,800	—	23,400	11,700
Sweden (airmail)	S.Kr.	2,000	1,276	1,100	600
—**hd.del.	S.Kr.	2,500	776	1,400	700
Switzerland	S.Fr.	455	455	255	141
Rest of Europe, N. Africa, former French Africa, Middle East	$	470	Varies by country	260	145
Rest of Africa, Gulf States, Asia	$	620		340	190
Central/Latin America	$	540		295	160

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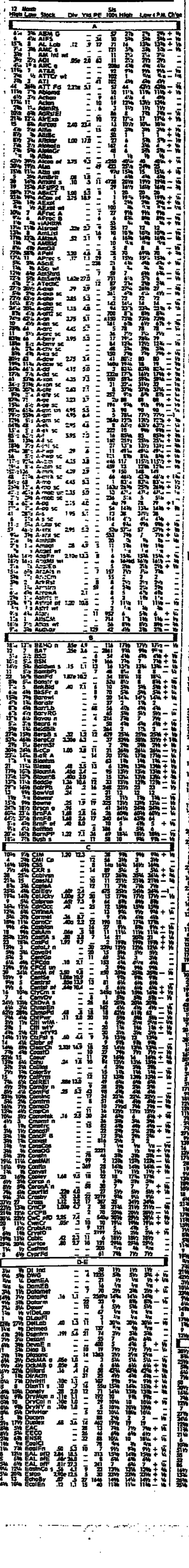
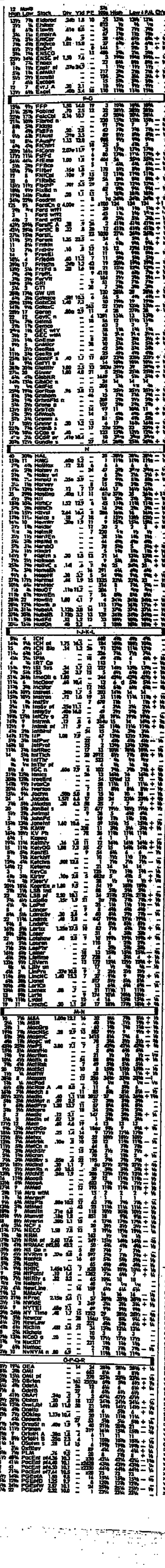
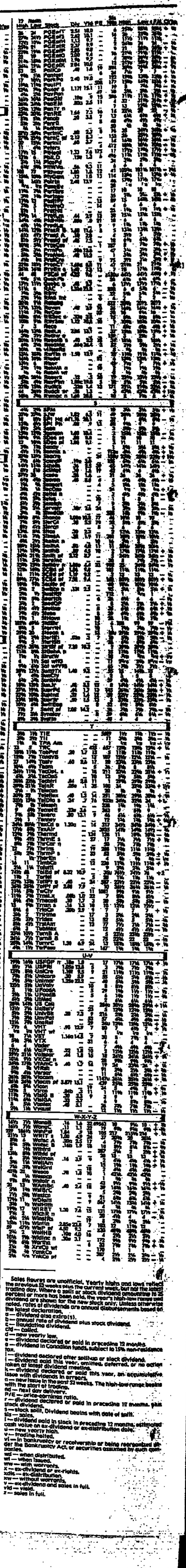
Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press







Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
e — dividend in Canadian funds, subject to 15% non-residence tax.
f — dividend declared after split-up or stock dividend.
i — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

CURRENCY MARKETS

Dollar Closes Mixed After Hectic Late Trading

Reuters

NEW YORK — The dollar closed mixed Thursday after hectic late trading that was sparked by speculation on the outcome of the Group of Seven meeting in Washington, dealers said.

The dollar rose slightly to 1.8775 Deutsche marks at the close, from 1.8735 DM on Wednesday, after reaching a high of 1.8815 DM. Dealers said its advance was capped by rumors of central-bank dollar sales.

But the U.S. currency fell against the yen, closing at 129.575 after 130.275 on Wednesday.

Dealers said the yen's strength was due to comments by Helmut Schlesinger, vice president of the West German Bundesbank. He told a French newspaper that Japan's strong economic fundamentals made it likely that the yen would be revalued against the mark over the long term.

Much of the activity came after a senior Japanese official accompanying the Tokyo delegation to the Group of Seven talks hinted to reporters in Washington that steps would not be taken to restrain the U.S. currency's advance, dealers said.

London Dollar Rates

Closing	Thu.	Wed.
Deutsche mark	1.8695	1.8680
Pound sterling	1.7505	1.7540
Japanese yen	129.35	129.70
Swiss franc	1.5867	1.5840
French franc	6.3575	6.3625

Source: Reuters

The official said leaders of the seven industrialized nations agreed that present exchange rates were relatively stable. He said the recent firmness of the dollar was caused by weakness in the mark and not by strength of the dollar.

The British pound eased slightly to finish at $1.7450 from $1.7485. The dollar declined to 1.5945 Swiss francs from 1.5955 but inched up to 6.3880 French francs from 6.3805.

In London, the dollar ended erratic trading with narrow gains as dealers looked ahead to the Group of Seven meeting.

Comments by Alan Greenspan, chairman of the U.S. Federal Reserve Board, caused the dollar to bounce around, but trading was hesitant, dealers said. Mr. Greenspan called for a reduction in the U.S. budget deficit and said the Reagan administration's 1989 interest-rate forecast may be too low.

The dollar inched up to 1.8695 Deutsche marks at the close from 1.8680 DM at the finish on Wednesday, but it lost ground against the yen, closing at 129.35, against 129.70.

The British pound dipped to $1.7505 against a firming dollar, from $1.7540, while the U.S. currency advanced to 1.5867 Swiss francs from 1.5840 but eased to 6.3575 French francs from 6.3625 the day before.

Currency markets were generally cautious as Group of Seven officials began assembling in Washington. The meeting has been billed as an opportunity for European and Japanese representatives to get to know the Bush administration, with no communiqué expected.

"The market is apprehensive, and a little suspicious," said David Sawyer, vice president of foreign-exchange marketing at First National Bank of Chicago.

"Though there is no communiqué, they could still talk about dollar target ranges, new methods of intervention," he said, "and there could be a strong divergence of opinion, especially between West Germany and the United States."

Dealers are also hoping for direction from January U.S. jobs data, due out on Friday, which give the first statistical indication of U.S. economic growth each month.

Sterling firmed against the mark after losing ground on Wednesday, closing at 3.2733 DM, compared with 3.2710. Trade ideas that the pound is near the top of its current range are prompting profit taking at these higher levels against the mark, dealers said.

G-7: *Ministers Find There Is 'No Fire to Be Extinguished' in Washington*

(Continued from Page 1)

recognition by the United States that U.S. leadership is critical to the process."

European financial officials said the Bush administration's commitment to the process was of critical importance for successful world economic management. The new administration's cooperative attitude contrasts sharply with that of Donald T. Regan, who was Treasury secretary in the early years of the Reagan administration, they said.

Provided that the U.S. budget deficit is trimmed, the officials said, there is no reason that the process of adjusting the world's economic imbalances — in particular the U.S. trade deficit — could not continue this year.

Mr. Mulford, however, said that with the adjustment process slowing down, "we must review very carefully to see if additional policy measures by the deficit and surplus countries may be required."

He said that rather than increasing growth by traditional "pump-priming" measures in the surplus countries, which could be inflationary, priority should be given to structural reforms, such as deregulation and the removal of "rigidities" in labor markets.

A senior European official said that while it was important that the seven nations act to cool any signs of incipient inflation, it was equally important that they avoid competitive interest-rate increases, which could create severe problems for indebted developing countries and other governments with fiscal deficits.

While the ministers were expected to devote considerable attention to the international debt problem — on which West Germany, France, Japan and Canada all want quick action — specific proposals were not expected to emerge from Friday's talks. Washington has made it known that a major review of its international debt strategy is not complete.

In general, European officials said, the ministers have good reason to be satisfied with the progress of their coordination efforts, which began in earnest in the fall of 1985, after the so-called Plaza Agreement to engineer a smooth decline in the dollar.

At this meeting, the four European participants will be able to submit their best reports on economic health since the Group of Seven process started, with "explosive" growth in the European Community last year, and substantial job creation, they said.

BRADY: *A Slow Start as Secretary of the Treasury*

(Continued from Page 1)

teer," said John H. Gutfreund, the chairman of Salomon Brothers and a friend. With respect to regulation of the markets, Mr. Gutfreund said, "I think he thinks there's a place for law and order."

Murray S. Weidenbaum, Mr. Reagan's first chief economist, said, "This good conservative government is talking about more government involvement, more government regulation."

"If you remember the Brady Commission, this shouldn't come as a surprise," he said, noting that Mr. Brady's study of the stock market collapse recommended that the Federal Reserve take over supervision of the markets.

In the foreign-exchange market, Mr. Brady has been greeted with some skepticism, especially for the timing of his remarks. Despite his Wall Street experience, he did not realize the impact his comments could have on financial markets.

In November, when the dollar was declining sharply after Mr. Bush's election victory, the Federal Reserve and European central banks intervened just in time to keep the dollar from setting a new low against the Japanese yen. On the second day of this operation, when the dollar was beginning to rise, Mr. Brady's statement that he was not concerned about the decline in the dollar undercut the impact of the intervention, some said.

"Markets go up and down," Mr. Brady had said, commenting on the dollar's fall. "I really don't worry about it very much." As a result, some traders surmised that the United States would not mind if the dollar fell further.

Mr. Brady met criticism for his statement at his confirmation hearing last September that "I don't see any need at this time for a taxpayer bailout of the savings institutions" and for a speech in Berlin just after he took office rejecting a Japanese modification of Mr. Baker's debt plan for the developing world.

Alberto Weissmuller, head of the Washington branch of Banca Commerciale Italiana, said Mr. Brady's Berlin speech conveyed a "very, very nebulous" impression in rejecting the Japanese debt plan and offered nothing in return.

But Mr. Brady is widely admired by leaders of both parties in the Senate.

Senator Bill Bradley, Democrat of New Jersey, a critic of the Baker debt plan, said he saw great hope for change under Mr. Brady, whom he described as "very thoughtful, very flexible and somebody who has fairness engrained in him."

Mr. Gutfreund said he admired Mr. Brady's soft-footed approach to issues.

"I wouldn't look to Nick Brady to try to create fireworks," Mr. Gutfreund said. "He is not a personality in search of a platform."

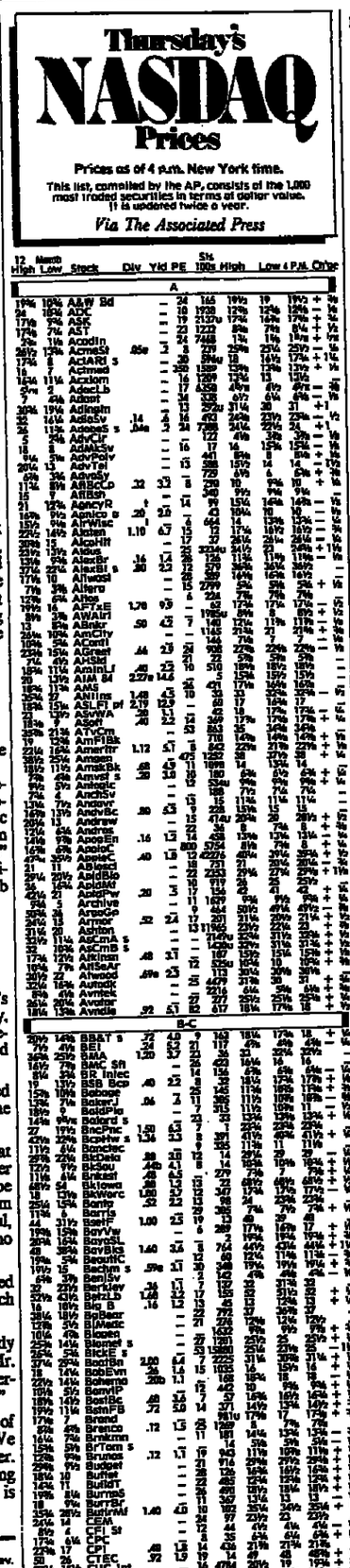
Donald B. Marron, chairman of PaineWebber Inc., said: "We would all like things to move faster. But there's an underlying feeling that some constructive thought is going on."

Thursday's NASDAQ Prices

Prices as of 4 p.m. New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Via The Associated Press



World Stock Markets

Via Agence France Presse Closing prices in local currencies, Feb. 2

Amsterdam — Close Prev.
ABN Bank 43.20 43.10
ACF Holding 109.50 109.50
Aegon 82.50 82.50
Ahold 49.50 49.50
Akzo 115.50 115.50
AMEV 82.50 82.50
A Dam Rubber 37.50 37.50
Amro Bank 43.50 43.50
Bols 74.50 74.50
Buhrmann Tet 43.50 43.50
BVG 124.50 124.50
Cmbr Parcs 43.50 43.50
Elsevier 43.50 43.50
Gucker 43.50 43.50
Gist-Brocades 43.50 43.50
Heineken 43.50 43.50
Hoogovens 43.50 43.50
Int Mueller 43.50 43.50
KLM 43.50 43.50
Nat Neder 43.50 43.50
Nedlloyd 43.50 43.50
NMB Bank 43.50 43.50
Oce Grinten 43.50 43.50
Pakhoed 43.50 43.50
Philips 43.50 43.50
Robeco 43.50 43.50
Rodamco 43.50 43.50
Rorento 43.50 43.50
Royal Dutch 43.50 43.50
Saurer 43.50 43.50
Van Ommeren 43.50 43.50
VMF Stork 43.50 43.50
VNU 43.50 43.50
Wessanen 43.50 43.50
Wolters/Kluwer 154.50 154.50
AEX-CBS Gen'l Index : 163.30
Previous : 167.30

Brussels
Acec 1460 1460
Ackermill 1 1
Cockerill 1 1
Cockerill 2 1
Cofinindus 1 1
Delhaize 1 1
Dist. 1 1
Electro-BM 1 1
GBL 1 1
Generale 1 1
Gevaert 1 1
Hoboken 1 1
Intercom 1 1
Kredietbank 1 1
Powerhold 1 1
Sidmar 1 1
Soc Gen Belge 1 1
Solvay 1 1
Tractebel 1 1
UCB 1 1
Unic 1 1
Cement Stock Index : 5763.57
Previous : 5763.57

Frankfurt
AEG 196.50 196.50
Allianz Hldg 1 1
Altana 1 1
Asko Dt. Kfhs 1 1
BASF 1 1
Bayer 1 1
Bay. Hypo bank 1 1
Bay. Vereinsbank 1 1
BHF-Bank 1 1
BMW 1 1
Commerzbank 1 1
Continental 1 1
Daimler-Benz 1 1
Degussa 1 1
Deutsche 1 1
Deutsche Bank 1 1
Dresdner Bank 1 1
Hoechst 1 1
Kali + Salz 1 1
Kaufhof 1 1
Linde 1 1
Lufthansa 1 1
MAN 1 1
Mannesmann 1 1
Metallgesell 1 1
Munich Reck 1 1
Nixdorf 1 1
PKI 1 1
Porsche 1 1
Preussag 1 1
RWE 1 1
Schering 1 1
Siemens 1 1
Thyssen 1 1
VEW 1 1
Veba 1 1
Volkswagen 1 1
Wella 1 1
Commerzbank Index : 1469.30
Previous : 1465.30
Frankfurt Gen'l Index : 1469.30
Previous : 1470.30

Helsinki
Amer A 41.50 41.50
Enso-Gutzeit 41.50 41.50
Finnish Sugar 1 1
Kone 1 1
Kymmene 1 1
Nokia 1 1
Pohjola 1 1
Stockmann 1 1

Hong Kong — Close Prev.
Bk East Asia 21.50 21.50
Cathay Pacific 5.50 5.50
Cavendish Int'l 4.50 4.50
Cheung Kong 16.50 16.50
Chinese Estate Pwr 4.50 4.50
Dairy Farm Int'l 4.50 4.50
Green Island Cem 4.50 4.50
Hang Lung Dev 4.50 4.50
Hang Seng Bank 4.50 4.50
Henderson Land 4.50 4.50
HK Air Eng 4.50 4.50
HK Chiana Gas 4.50 4.50
HK Electric Hldg 4.50 4.50
HK Land 4.50 4.50
HK Realty Trust 4.50 4.50
HK Shang Bank 4.50 4.50
HK Steel Hldg 4.50 4.50
HK Telecomm 4.50 4.50
HK-TVB 4.50 4.50
HK Ferry 4.50 4.50
Hutchi Whampoa 4.50 4.50
Hysan Dev 4.50 4.50
Jardine Matth 4.50 4.50
Jardine Strategic 4.50 4.50
Kowloon Motor 4.50 4.50
Mandarin Oriental 4.50 4.50
New Asia Realty 4.50 4.50
New World Dev 4.50 4.50
NYK Props 4.50 4.50
Shell 4.50 4.50
Sing Pac A 4.50 4.50
Tai Cheung Prps 4.50 4.50
Wharf Hldg 4.50 4.50
Wheelock Co 4.50 4.50
Winsor Ind 4.50 4.50
World Int'l Hdgs 4.50 4.50
Hang Seng Index : 3859.54
Previous : 3868.91

Madrid
Banco Central 1 1
Banco Santander 1 1
BBV 1 1
Cepsa 1 1
Dragados 1 1
Espan. Rio Tinto 1 1
Hidroelec. Esp. 1 1
Iberduero 1 1
Telefonica 1 1
General Index : 280.22
Previous : 278.39

Milan
Banca Comm 1 1
Bastogi 1 1
Cogefarr 1 1
Credito Fin. 1 1
Ferruzzi Fin. 1 1
Ferruzzi Agr. 1 1
Fiat 1 1
Generali 1 1
IFI 1 1
Italcem 1 1
Italgas 1 1
Italmobiliare 1 1
Montedison 1 1
Olivetti 1 1
Pirelli 1 1
RAS 1 1
Rinascente 1 1
Sasib 1 1
Sasib 1 1
SME 1 1
Snia 1 1
Standa 1 1
Toro 1 1
MIB Index : 780
Previous : 777

Paris
Accor 1 1
AGF Uapide 1 1
Air Liquide 1 1
Alsthom Atl. 1 1
Av Dassault 1 1
Bancaire 1 1
BIC 1 1
Bongrain 1 1
Bouygues 1 1
Carrefour 1 1
Cetelec 1 1
CGE 1 1
Chargeurs 1 1
Club Med 1 1
Elf Aq 1 1
Eramet 1 1
Europe 1 1
Gen. Equx 1 1
Hachette 1 1
Havas 1 1
Imetal 1 1
Lafarge Coppee 1 1
Legrand 1 1
Lyonnaise 1 1
Matra 1 1
Merlin Gerin 1 1
Michelin 1 1
Moulinex 1 1
Occidentale 1 1
Pernod-Ricard 1 1
Perrier 1 1
Peugeot 1 1
Printemps (Au) 1 1
Radiotechnique 1 1
Redoute (La) 1 1
Roussel Uclaf 1 1
Saint Gobain 1 1
Sefi 1 1
Sein Rossignol 1 1
Societ. Generale 1 1
Sofra 1 1
Telemecanique 1 1
Thomson-CSF 1 1
Total 1 1
Valeo 1 1
Source: Reuters Trend Index : +1.85%
Previous : +0.36%

Sao Paulo — Feb. 7
Banco do Brasil 1 1
Bradesco 1 1
Brahma 1 1
Pronanpanema 1 1
Petrobras 1 1
Vale 1 1
Banespa Index: 23854
Previous : 23480

Singapore
Cerebos 1 1
DBS 1 1
Fraser Neave 1 1
Genting 1 1
Inchcape 1 1
Keppel 1 1
Kl. Kepong 1 1
Lum Chang 1 1
Malayan Banks 1 1
OCBC 1 1
OUB 1 1
OUB 1 1
Sembawang 1 1
Singapore 1 1
Sime Darby 1 1
SIA 1 1
Spore Land 1 1
Straits Press 1 1
Straits Trading 1 1
UOB 1 1
United Overseas 1 1
Straits Times Ind. : 1128.34
Previous : 1137.87

Stockholm
AGA 1 1
Alfa Laval 1 1
Asea 1 1
Astra 1 1
Atlas Copco 1 1
Electrolux 1 1
Ericsson 1 1
Esselte 1 1
Handelsbanken 1 1
Incentive 1 1
Norsk Hydro 1 1
Saab-Scania 1 1
Sandvik 1 1
SCA 1 1
SKF 1 1
Skanska 1 1
SPCI 1 1
Stora 1 1
SwedishMatch 1 1
Volvo 1 1
Affarsvarldens : 1878.38
Previous : 1874.31

Sydney
ANZ 1 1
BHP 1 1
Boral 1 1
Consolinvilla 1 1
Coles Myer 1 1
Comalco 1 1
CRA 1 1
CSR 1 1
Dunlop 1 1
Elders IXL 1 1
ICI Australia 1 1

Toronto *Feb. 2*
Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
7574	Abit Proc	20¾	20¼	20¼	+ ¾
1700	Agnico E	15¾	15¾	15¾	
494075	AMCA Canada	10½	10	10½	+ ½
6358	Air Energy	15¾	15¾	15¾	
58002	Alta Nat	31½	30½	31½	+ ½
2329	Alta Rsrck I	23¾	23¾	23¾	
119614	Atco I f	36½	36	36½	+ ½
49046	BCED	36½	36	36½	+ ½
37099	BP Canada	15¾	15¼	15¾	+ ¼
389149	Bank N S	31½	31½	31½	+ ½
2000	Beton	1	1	1	
448795	BCE Inc	31½	31½	31½	+ ½
4100	Bramalea	14¾	14¾	14¾	
4490	Brascades	14½	14½	14½	
69376	BC Phone	31½	31½	31½	+ ½
3970	Brunswick	14¾	14¾	14¾	
172622	CAE	6	5¾	6	+ ¼
21800	CCL B f	31½	31½	31½	+ ½
77000	Cambior	4¾	4¾	4¾	
43733	Campeau	22¾	22¾	22¾	+ ¼
11400	Can Marconi	14¾	14¾	14¾	
4280	C Packrs	31½	31½	31½	+ ½
312250	CI Bk Com	31½	31½	31½	+ ½
4535	CP Forest	31½	31½	31½	+ ½
57052	CP Ltd	31½	31½	31½	+ ½
68217	CTire A f	31½	31½	31½	+ ½
91550	C Util B	31½	31½	31½	+ ½
28800	Cantor	31½	31½	31½	+ ½
5850	Coro	31½	31½	31½	+ ½
6500	Celanese	31½	31½	31½	+ ½
300	Celanese I p	31½	31½	31½	+ ½
1950	Cntrl Cap	31½	31½	31½	+ ½
150710	Closeplex	31½	31½	31½	+ ½
79500	Corona A f	31½	31½	31½	+ ½
200	Corvex	31½	31½	31½	+ ½
13300	Denison A p	31½	31½	31½	+ ½
15331	Denison B f	31½	31½	31½	+ ½
5650	Dorlon	31½	31½	31½	+ ½
100	Dorsch	31½	31½	31½	+ ½
52000	Dtchmen A f	31½	31½	31½	+ ½
2150	Dickson B	31½	31½	31½	+ ½
191667	Dofasco	31½	31½	31½	+ ½
4800	Donohue	31½	31½	31½	+ ½
14900	Dyl Ltr A	31½	31½	31½	+ ½
1444	Dylex A	31½	31½	31½	+ ½
1900	Emco	31½	31½	31½	+ ½
22000	Beauty Svr A	31½	31½	31½	+ ½
37300	Fed Ind	31½	31½	31½	+ ½
240500	Fleinstone	31½	31½	31½	+ ½
14525	Fed Ind A	31½	31½	31½	+ ½
5100	Fed Pipe	31½	31½	31½	+ ½
1900	F City Fin	31½	31½	31½	+ ½
1800	Fstl Con A	31½	31½	31½	+ ½
2550	Fstl C Inv	31½	31½	31½	+ ½
1341	Geodis A	31½	31½	31½	+ ½
71500	Gt Canada	31½	31½	31½	+ ½
230400	Gtrwstor	31½	31½	31½	+ ½
7300	Gulfcanp f	31½	31½	31½	+ ½
745	Graft G	31½	31½	31½	+ ½
200	Howker	31½	31½	31½	+ ½
3100	Hawes D	31½	31½	31½	+ ½
36545	Hees Intl	31½	31½	31½	+ ½
3500	Hemlo Gld	31½	31½	31½	+ ½
44900	Hollinger I	31½	31½	31½	+ ½
6428	H Bay Co	31½	31½	31½	+ ½
41853	Imasco L	31½	31½	31½	+ ½
4226	Inland Gas	31½	31½	31½	+ ½
294900	Intl Thom	31½	31½	31½	+ ½
4775	Interbome	31½	31½	31½	+ ½
12700	Ipsco	31½	31½	31½	+ ½
21050	Ivaco A f	31½	31½	31½	+ ½
7200	Ivaco B	31½	31½	31½	+ ½
45222	Jannock	31½	31½	31½	+ ½
1725	Kent Add	31½	31½	31½	+ ½
158100	Labatt Co	31½	31½	31½	+ ½
2300	Labatt Co	31½	31½	31½	+ ½
6300	Lumaqua	31½	31½	31½	+ ½
13878	Maclea A f	31½	31½	31½	+ ½
169675	Maclin H X	31½	31½	31½	+ ½
2612	Maritime T	31½	31½	31½	+ ½
2544	Mark Res	31½	31½	31½	+ ½
4600	Minnova	31½	31½	31½	+ ½
81154	Molson A f	31½	31½	31½	+ ½
8824	Molson B	31½	31½	31½	+ ½
1372	N-W Gr	31½	31½	31½	+ ½
39240	Noranda F	31½	31½	31½	+ ½
140575	Noranda I	31½	31½	31½	+ ½
2150	Nthgate	31½	31½	31½	+ ½
484818	Nova Cor f	31½	31½	31½	+ ½
2000	Nowsco W	31½	31½	31½	+ ½
4000	Nrcen A f	31½	31½	31½	+ ½
102734	PWA Corp	31½	31½	31½	+ ½
124198	Placer Dm	31½	31½	31½	+ ½
15000	Que Stura o	31½	31½	31½	+ ½
500	Renrock f	31½	31½	31½	+ ½
11018	Redpath	31½	31½	31½	+ ½
44300	Renisonc	31½	31½	31½	+ ½
27206	Rogers A	31½	31½	31½	+ ½
46493	RyTrco A	31½	31½	31½	+ ½
4475	Scptr R	31½	31½	31½	+ ½
14000	Scurry I	31½	31½	31½	+ ½
8716	Sears Can	31½	31½	31½	+ ½
30440	Shl System	31½	31½	31½	+ ½
240	Selkirk A f	31½	31½	31½	+ ½
11772	Shell Can	31½	31½	31½	+ ½
16590	Sherritt	31½	31½	31½	+ ½
80000	Southern	31½	31½	31½	+ ½
4475	Spar Aero f	31½	31½	31½	+ ½
146205	Stelco A	31½	31½	31½	+ ½
14975	TCC Bev	31½	31½	31½	+ ½
100743	Tack B f	31½	31½	31½	+ ½
53775	Tek Con	31½	31½	31½	+ ½
84625	Thom N A	31½	31½	31½	+ ½
117853	Tor Dm Bk	31½	31½	31½	+ ½
15420	Torstar B f	31½	31½	31½	+ ½
248091	TrnAlta U	31½	31½	31½	+ ½
79770	Trizec Pt L	31½	31½	31½	+ ½
8	Trimac	31½	31½	31½	+ ½
9421	Trilon A	31½	31½	31½	+ ½
4200	Trizec A f	31½	31½	31½	+ ½
36513	Turbo	31½	31½	31½	+ ½
30000	Unicorp A f	31½	31½	31½	+ ½
1150	Un Corbid	31½	31½	31½	+ ½
11209	U Enterpse	31½	31½	31½	+ ½
1200	U Kpno	31½	31½	31½	+ ½
31250	Weldar A f	31½	31½	31½	+ ½
30400	Wrldwir B	31½	31½	31½	+ ½
4881	Westmin	31½	31½	31½	+ ½
73178	Weston	31½	31½	31½	+ ½
23867	Wrzbed A	31½	31½	31½	+ ½
	Total sales	25,240,846 shares			

	Close	Previous
TSE 300 Index:	3,453.60	3,441.60

Montreal *Feb. 2*

Sales	Stock	High	Low	Close	Chg.
240033	Bank Mont	32½	32½	32½	+ ½
23000	Bombrdr A	13¾	13¾	13¾	
104825	Bombrdr B	13¾	13¾	13¾	+ ¼
1000	CB Pak	15¾	15¾	15¾	+ ¼
72648	Cascades	10¾	10¾	10¾	
266136	Canstar	24½	24½	24½	
12222	DomTrkA	31½	31½	31½	+ ½
5320	MidTrst	15½	15½	15½	+ ½
204880	NatBk Cda	31½	31½	31½	+ ½
13819	Noverco	31½	31½	31½	+ ½
98980	Power Corp	31½	31½	31½	+ ½
2615	Provigo	31½	31½	31½	+ ½
87459	Royal Bank	32¾	32¾	32¾	+ ½
1100	SteinbrgA	31½	31½	31½	+ ½
43624	Vickstron	31½	31½	31½	+ ½
	Total Sales 7,363,127 shares.				

	Close	Previous
Industrials Index:	1,638.16	1,642.24

Tokyo — Close Prev.
Aisai 735 737
Asahi Chemical 1080 1080
Asahi Glass 1080 1080
Bank of Tokyo 1510 1510
Bridgestone 1080 1080
Canon 1510 1510
Dai Nippon Print 1080 1080
Daiwa House 1080 1080
Daiwa Securities 1080 1080
Eisai 1080 1080
Fuji Bank 1080 1080
Fuji Photo 1080 1080
Fujitsu 1080 1080
Hitachi 1080 1080
Hitachi Cable 1080 1080
Honda 1080 1080
Isetan Mitsuko 1080 1080
Japan Air Lines 1080 1080
Kajima 1080 1080
Kansai Power 1080 1080
Kawasaki Steel 1080 1080
Kirin Brewery 1080 1080
Komatsu 1080 1080
Kubota 1080 1080
Kyocera 1080 1080
Marubeni 1080 1080
Matsu. Elec Ind's 1080 1080
Matsu. Elec Wks 1080 1080
Mitsubishi Bank 1080 1080
Mitsubishi Elec 1080 1080
Mitsubishi Corp 1080 1080
Mitsui and Co 1080 1080
Mitsukoshi 1080 1080
NEC 1080 1080
NGK Insulators 1080 1080
Nikko Securities 1080 1080
Nippon Kogaku 1080 1080
Nippon Oil 1080 1080
Nippon Steel 1080 1080
Nissan Yusen 1080 1080
Nisson 1080 1080
Nomura Sec 1080 1080
NTT 1740o 1770o
Olympus Optical 1080 1080
Pioneer 1080 1080
Ricoh 1080 1080
Sanyo Elec 1080 1080
Sharp 1080 1080
Shimizu 1080 1080
Shin-Etsu Chem 1080 1080
Sony 1080 1080
Sumitomo Bank 1080 1080
Sumitomo Chem 1080 1080
Sumi Marine 1080 1080
Sumitomo Metal 1080 1080
Taisei Corp 1080 1080
Taisho Marine 1080 1080
Takeda Chem 1080 1080
TDK 1080 1080
Tellin 1080 1080
Tokio Marine 1080 1080
Tokyo Elec Pwr 1080 1080
Toppan Printing 1080 1080
Toray Ind. 1080 1080
Toshiba 1080 1080
Toyota 1080 1080
Yamaichi Sec 1080 1080
Cr. = 100
Nikkei 225 : 31498.50
Previous : 31,048.60
New issues : 2,000.35
Previous : 2442.85

Zurich — Close Prev.
Adia 7840 7850
Alusuisse 1080 1080
Bank Leu 1080 1080
Brown Boveri 1080 1080
Cdbo Geigy 1080 1080
Credit Suisse 1080 1080
Electrowatt 1080 1080
Georg Fischer 1080 1080
Hoffman R Baby 11775 11800
Interdiscount 1080 1080
Jacob Suchard 1080 1080
Jelmoli 1080 1080
Landis Gyr 1080 1080
Motorenpick 1080 1080
Nestle 1080 1080
Oerlikon-B 1080 1080
Pargesa Holding 1080 1080
Pirelli 1080 1080
Publicitas 1080 1080
Schindler 1080 1080
Sulzer 1080 1080
Surveillance 1080 1080
Surgusair 1080 1080
SBC 1080 1080
Swiss Reinsur 1080 1080
Swiss Volksbank 1080 1080
Union Bank 1080 1080
Winterthur 1080 1080
Zurich Ins 1080 1080

To Our Readers

Johannesburg stock market prices were not available for this edition because of problems at the source.

London — Close Prev.
AA Corp 1080 1080
Allied Lyons 1080 1080
Amalg Am Gds 1080 1080
Ass Brit Foods 1080 1080
Assd-Mft Go 1080 1080
Barclays 1080 1080
BAT 1080 1080
B.A.T. 1080 1080
Beecham 1080 1080
Bell Circle 1080 1080
Boc Group 1080 1080
Boots 1080 1080
Bowater Ind. 1080 1080
Brit Aerosp 1080 1080
Brit Airways 1080 1080
Brit Gas 1080 1080
British Telec. 1080 1080
BTR 1080 1080
Cadbury 1080 1080
Cable Wirless 1080 1080
Cadbury Schw 1080 1080
Charter Cons 1080 1080
Coats Cl U 1080 1080
Coats Glad Pg 1080 1080
Cookson Go 1080 1080
Courtaulds 1080 1080
Cropaly 1080 1080
De Beers 1080 1080
Distillers 1080 1080
Dixons 1080 1080
Dnlopsey Hldg 1080 1080
Eagle Star 1080 1080
Electrocomp 1080 1080
Enterprise Oil 1080 1080
Ferranti 1080 1080
Fisons 1080 1080
Forte 1080 1080
Gen Accident 1080 1080
GEC 1080 1080
Glaxo 1080 1080
Grand Met 1080 1080
GUS 1080 1080
Guinness 1080 1080
Hanson 1080 1080
Hillsdon 1080 1080
Imperial Chem 1080 1080
Jaguar 1080 1080
Lasmo 1080 1080
Lonrho Sec 1080 1080
Land Sec 1080 1080
Lloyds Bank 1080 1080
Lucas 1080 1080
Marks & Sp 1080 1080
Maxwell Com 1080 1080
Metal Box 1080 1080
Midland Bank 1080 1080
NatWest Bk 1080 1080
Pearson 1080 1080
Peninsm Or 1080 1080
Pilkington 1080 1080
Plessey 1080 1080
Prudential 1080 1080
Racal Elec 1080 1080
Reckitt&Colm S 1080 1080
Rank 1080 1080
Reed Internat. 1080 1080
Reuters 1080 1080
Rio Tinto Zinc 1080 1080
Royal Dutch 1080 1080
RTZ 1080 1080
Sainsbury 1080 1080
Scottish Hldgs 1080 1080
Shell 1080 1080
Smith 1080 1080
Std Chart Bk 1080 1080
Stanwhouse 1080 1080
Sun Alliance 1080 1080

Paris — Close Prev.
Tate and Lyle 1080 1080
Tesco 1080 1080
Thorn Emi 1080 1080
T.I. Group 1080 1080
Trafalgar Hse 1080 1080
Ultramar 1080 1080
Unilever 1080 1080
Utd Biscuits 1080 1080
Vickers 1080 1080
War Loan 3½ c 1080 1080
Wellcome Go 1080 1080
Woolworth 1080 1080
F.T. 30 Index : 1467.80
Previous : 1466.80
F.T.-SE 100 Index : 1843.40
Previous : 1838.70

Stockholm — Close Prev.
Tate and Lyle 1080 1080
Tesco 1080 1080
Thorn Emi 1080 1080
T.I. Group 1080 1080
Trafalgar Hse 1080 1080
Ultramar 1080 1080
Unilever 1080 1080
Utd Biscuits 1080 1080
Vickers 1080 1080
War Loan 3½ c 1080 1080
Wellcome Go 1080 1080
Woolworth 1080 1080
F.T. 30 Index : 1467.80
Previous : 1466.80
F.T.-SE 100 Index : 1843.40
Previous : 1838.70

Tokyo — Close Prev.
Magellan 2.45 2.45
MIM 1.91 1.91
Nat Aust Bank 16.50 16.50
North Ltd 2.45 2.45
Pt Broken Hill 2.45 2.45
Poseidon 2.40 2.40
QCT Resources 1.04 1.04
Santos 5.40 5.40
Thomas Nation 2.48 2.48
Western Mining 2.45 2.45
Westpac Banking 1.95 1.95
Woodside 1.95 1.95
All Ordinaries Index : 1509.30
Previous : 1538.50

Zurich — Close Prev.
Adia 7840 7850
Alusuisse 1080 1080
Bank Leu 1080 1080
Brown Boveri 1080 1080
Cdbo Geigy 1080 1080
Credit Suisse 1080 1080
Electrowatt 1080 1080
Georg Fischer 1080 1080
Hoffman R Baby 11775 11800
Interdiscount 1080 1080
Jacob Suchard 1080 1080
Jelmoli 1080 1080
Landis Gyr 1080 1080
Motorenpick 1080 1080
Nestle 1080 1080
Oerlikon-B 1080 1080
Pargesa Holding 1080 1080
Pirelli 1080 1080
Publicitas 1080 1080
Schindler 1080 1080
Sulzer 1080 1080
Surveillance 1080 1080
Surgusair 1080 1080
SBC 1080 1080
Swiss Reinsur 1080 1080
Swiss Volksbank 1080 1080
Union Bank 1080 1080
Winterthur 1080 1080
Zurich Ins 1080 1080

IF YOU GET A KICK OUT OF SOCCER, READ
ROB HUGHES
WEDNESDAYS IN THE IHT

SPORTS

McKinney Wins, Zurbriggen Injured

Compiled by Our Staff From Dispatches

VAIL, Colorado — Tamara McKinney gave the United States the first gold medal awarded at the World Alpine Ski Championships, recording a respectable third-place finish in the downhill Thursday to win the women's combined title.

On Wednesday, Pirmin Zurbriggen of Switzerland, the Olympic downhill champion, was injured when he was blown out of control while training during high winds. But the Swiss team doctor said that Zurbriggen probably would be fit to race in Friday's events at the championships.

McKinney, who had been second in Sunday's combined slalom behind Swiss superstar Vreni Schneider, overtook Schneider with a surprisingly competent downhill, which is not her specialty.

Schneider, who has won an unprecedented 10 races on the World Cup circuit this season, got the silver medal after finishing 11th in the downhill. Swiss teammate Brigitte Oertli took the bronze. Mateja Svet of Yugoslavia was fourth.

Canada's Kerrin Lee won the downhill in 1 minute, 31.70 seconds. Oertli was second in 1:31.99, with McKinney third in 1:32.10.

McKinney, 26, of Olympic Valley, California, trailed Schneider by 12-hundredths of a second in the slalom. Under the complicated scoring system used to figure combined, McKinney needed to beat Schneider by .10 in the downhill to overtake the Swiss for the combined.

McKinney left no margin for error over a course featuring numerous jumps and turns. She was 1.84 seconds faster than Schneider.

"I knew I had to risk everything," said McKinney, a veteran of 11 seasons with the U.S. Ski Team. "When I crossed the finish line, I didn't know I had won. But the roar of the crowd told me. I had a good performance. This is a very good start for the championships."

Schneider, 24, who had poor downhill training runs on a course that she said did not suit her style, said, "I could not have done any better on this course. I didn't like it from the very beginning. I am happy for Tamara. Second place is not bad at all."

After Zurbriggen's accident, Wednesday's morning run was quickly halted by Ken Read, a former Canadian downhiller who is the International Ski Federation's safety inspector for the race. When the wind failed to let up, Read also canceled the afternoon run. Thursday's first run was called off, too.

"Swiss team doctor Vlaclov Dvorak found that Zurbriggen suffered a bruised upper back and bruised

Ken Papaioo/The Associated Press

A race official on the men's downhill course, where Zurbriggen was injured, skied past fences that had been blown down by high winds.

ribs," said John Dakin, press spokesmen for the two-week championships.

"He will probably be able to race in Friday's men's combined slalom but will probably not train on Thursday," Dakin said. "It is 90 percent that he won't train."

During a jump near the top of the course, Zurbriggen was blown to the ground by winds that gusted up to 80 mph (130 kph) on the men's downhill course at Beaver Creek.

He picked himself up and skied down the mountain but said he was having difficulty breathing. The three-time World Cup champion, who will turn 26 Saturday, was taken to Vail Valley Medical Center.

He was the sixth racer of the day to be spilled by the winds.

Organizers, who have been preparing for these championships since 1986, have been fighting a series of accidents and problems for the last two weeks. Even before the start of competition last Sunday, Sarge Brown, the race director, was seriously injured in a skiing collision with a volunteer worker.

Then, on Monday, Prince Alfonso de Borbón, a member of the International Ski Federation Council, died from neck injuries suffered when he skied into a cable supporting a finish-line banner.

On the same day, Beatrice Gafner of Switzerland broke her right shinbone and tore a ligament in her right knee during training, causing complaints by Swiss coaches that resulted in alterations to the women's downhill course.

Tuesday produced a bomb scare as a maintenance worker, shoveling snow and ice near the media center, discovered a military detonating device. Police, assisted by military experts and bomb-sniffing dogs, searched the area but found nothing besides the spent M-60 fuse igniter.

With Denver television meteorologists continuing to predict falling temperatures in the Rockies as the cold Alaskan air mass came south, Vail's organizers were bracing for the next possible crisis: severe weather that could force postponement of the weekend's glamor events, the regular men's and women's downhills, or at the least keep potential spectators huddled around fireplaces. *(AP, LAT)*

SIDELINES

Worrell, Key and Davis Sign Contracts

NEW YORK (AP) — Todd Worrell of the St. Louis Cardinals quadrupled his salary Wednesday as nine major league baseball players avoided salary hearings, reducing the group in arbitration to 55.

Worrell, 29, a right-handed reliever, agreed to a one-year contract for $875,000, a raise of 307 percent from the $215,000 he made last season when he had 32 saves, a 5-9 record and a 3.00 earned-run average.

Jimmy Key of Toronto and Chili Davis of California got the day's biggest deals. Davis agreed to a three-year contract worth $4.1 million, the outfielder having made $950,000 last season after leaving San Francisco and signing with the Angels. Key, 12-5 with a 3.29 ERA last season, signed a three-year pact at well over $1 million a year, with an option for a fourth.

Irwin Struck in Forehead by Golf Ball

LOS ANGELES (LAT) — Hale Irwin, the 1976 Los Angeles Open champion, was hit on the forehead by a golf ball Wednesday while playing in the pro-am that traditionally precedes the tournament.

He was taken to Santa Monica Hospital for observation, where his forehead was stitched. He was to be released later in the evening but it was not known whether he would be able to play in the tournament.

According to an eyewitness, Irwin hit his second shot from the rough on the seventh fairway. Then, someone from the 15th tee yelled "fore," and Irwin put his hands to his head to protect himself. The ball from the 15th tee hit him between his hands.

Boggs Says He Is Over Sex 'Disease'

BOSTON (UPI) — Wade Boggs, the five-time American League batting champion of the Boston Red Sox, who is embroiled in a $12 million palimony suit with a former lover, said Wednesday that a recent TV show about oversexed people made him realize he suffered from the same "disease" for four years.

But Boggs insisted in an apologetic interview on television that he was cured and has "made peace with myself, made peace with my family and gone on with my life." He promised Boston fans he would "do everything in my power" to bring the Red Sox another pennant.

Boggs said that the woman, Margo Adams, had "demanded $100,000" from him to keep quiet about their long-running affair. He denied Adams' claim that he had made "racist" remarks about teammate Jim Rice, b't did confirm her claim that he and teammate Steve Crawford once burst into teammate Bob Stanley's hotel room and photographed the pitcher in bed with a woman.

Aussie's Hole in One No Prize Winner

MELBOURNE, Australia (Reuters) — Stephen McCraw, 26, had a bittersweet experience Thursday, when he shot a hole-in-one but was not allowed to collect a 30,000 Australia dollar ($27,000) prize.

The Victorian Open's sponsors had put up 50,000 dollars for the feat, with 10,000 dollars going to the National Heart Foundation and the Victorian Golf Foundation getting 10,000. But McCraw, an amateur, was not allowed to accept the prize money. Officials said the foundations would not receive their share of the money, either.

For the Record

FC Mechlin beat Dutch champion PSV Eindhoven, 3-0, Wednesday night in the first match of the European Supercup. The return game between the holder of the European Champions' Cup, PSV, and the European Cupwinners' Cup champion is set for next week. *(AP)*

Vladimir Salnikov, 28, the winner of four Olympic gold medals in the 1980 Games in Moscow, has been appointed chief coach of the Soviet swimming team, the Tass news agency reported. *(Reuters)*

Heavyweight champion Mike Tyson, without a trainer since firing Kevin Rooney late last year, said Wednesday fellow Cus D'Amato protegé Jay Bright will handle the job for the Feb. 25 defense against England's Frank Bruno. *(UPI)*

Aaron Pryor, 33, the former junior-welterweight champion, had surgery on a heavy cataract and a partially detached retina in his left eye; doctors said it may be six months before they know if he can fight again. *(UPI)*

NFL-Imposed Free Agency System Riles More Than Players

By Thomas George
New York Times Service

NEW YORK — The National Football League's new system of free agency, which went into effect Wednesday, is like a boiling pot of stew. Each team tossed in its share of ingredients and Thursday, when the lid was lifted, everyone found out what the mix was.

Under the plan, which was imposed by the owners in the absence of a collective bargaining agreement with the players, each team was able to protect 37 players on its roster.

Thus, more than 600 became free to negotiate with other teams until April 1, when their negotiating rights revert to their original teams.

Among those known to have been left unprotected were Tony Dorsett of the Denver Broncos, Randy White of the Dallas Cowboys, Charles White of the Los Angeles Rams and Steve Largent of the Seattle Seahawks.

However, Judge David Doty of federal district court in Minneapolis is hearing the antitrust suit filed by the players' union against the league and could grant an injunction that would void the plan.

"The union wants increased free agency, the clubs want to protect key players and fans want to see interesting football games," said John Jones, spokesman for the NFL Management Council, the owners' bargaining unit. "This plan juggles those interest and strikes a balance."

Gene Upshaw, executive director of the Players Association, disagreed, emphasizing the union goal of unrestricted free agency for all.

"There are still more than 1,100 players who are restricted, and most of the ones who are unprotected are guys in a certain age group with high salaries," said Upshaw. He said that in no other sport were a player's achievements a penalty for his being able "to move to another team at some point in his career."

General managers, coaches and players around the league also differed on their views of the plan.

"I think a lot of teams, as we have done, have had their scouting departments busy projecting who will be protected around the league and who won't," said Russ Thomas, the Detroit Lions' general manager.

"I think there's going to be a list that's going to surprise a lot of us.

"First, you have to make the decision in cutting to 37 if you want the guy that can still help you a year or two or the younger guy with a promising future. And then you've got that same question with the free agents who are out there making up this pool.

"There's never been this many there. I think there will be a lot of activity, likely an escalation in players' salaries and a chance for many teams to improve."

Improve too much at the expense of playoff teams, said Marv Levy, the Buffalo Bills' coach.

"I don't like it," Levy said. "I didn't have much say in it, and my feeling is that Dallas and Tampa Bay concocted this thing and had the people in place to make it a reality. The thing that irritates me is it is designed for those that finish lower in the standings.

"The teams in this league that are stronger have depth and they've done it in large part through drafting, and here comes a guy who didn't draft well and nabs your guy because you can't protect him."

Many players around the league have already been told that they were not protected. Most teams are calling the players in, saying, "Gosh, we want you, but it's a numbers game. Maybe you won't sign elsewhere and be back in April."

Some players wonder if the whole idea is to give the appearance of more free agency but actually provide little movement.

The Chicago Bears last week began informing those of their players who would not be protected. On a team with an emotional leader and emotional players, the new plan is taking its toll.

"You call a guy who has won a special award for his hustle on special teams, for his setting a standard in practices," said Jim Harbaugh, one of the Bears' three quarterbacks and a player the Bears did protect, "and you tell him thanks but we can't keep you. That's a slap in the face."

Peace's Wafted Off the Slopes

United Press International

VAIL, Colorado — Several hundred balloons were launched at Sunday's opening ceremonies for the World Alpine Ski Championships. Each contained a note written by a child from a nation whose ski team is competing.

One balloon made it to Southern California, and was found by Christopher Duffy. Race organizers said Wednesday he had called to find out what the message inside said, since it was in German.

By Seppi Kendler, 8, of Saalbach, Austria, it said: "Mein groesster Wunsch ist, dass es keiner Krieg mehr gibt." Translated: "My greatest wish is that there be no more war."

BOOKS

EDWARD LANSDALE: The Unquiet American

By Cecil B. Currey. 430 pages. $24.95. Houghton Mifflin, One Beacon Street, Boston, Mass., 02108.

Reviewed by Ronald H. Spector

IF the Cold War can be ssid to have a folklore, then Edward Lansdale is its Daniel Boone or perhaps its Robin Hood. A U.S. Air Force officer who spent most of his career in various intelligence assignments, he has attracted such diverse admirers as retired Major General John Singlaub, Daniel Ellsberg, John Paul Vann and Oliver North. President John F. Kennedy described him as an American James Bond, while the former CIA Director William Colby called him "one of the 10 greatest spies of all time." He figured prominently in two best-selling novels of the 1950s: Graham Greene's "The Quiet American" and "The Ugly American" by William Lederer and Eugene Burdick.

Although many aspects of Lansdale's career are still obscure, he is generally credited with having played a major, if not decisive, role in two episodes that, at the time, were considered major American triumphs in the Asian Cold War: Ramón Magsaysay's defeat of the Hukbalahap uprising in the early 1950s in the Philippines and Ngo Dinh Diem's consolidation of his rule, against considerable odds, in South Vietnam following the 1954 Geneva Agreements. In addition, Lansdale played a role in the Bay of Pigs operation (which he wisely but unsuccessfully opposed) and in the Kennedy administration's subsequent efforts to destabilize the Castro regime. Lansdale finally returned to Vietnam in the mid-'60s, attempting, unsuccessfully, to salvage something from the wreckage of the regime he had helped to create.

In the cold light of the 1980s, Lansdale's feats have lost a good deal of their luster, but in the 1950s and '60s he was widely regarded as the man whose experience and achievements exemplified the United States's ability to succeed in the new era of psychological warfare, backstage political manipulation, guerrilla warfare, subversion and countersubversion that characterized the Cold War in the Third World.

Lansdale's biographer, Cecil B. Currey, is himself something of an enigmatic figure. Currey's best known earlier book, "Self-Destruction," a scathing critique of U.S. Army methods and leadership in Vietnam, appeared under the pseudonym "Cincinnatus." Currey and his publisher led members of the media to believe that Cincinnatus was a career military man who served as a private in the Korean War, "rose through the ranks," served as an officer in Vietnam and was "currently assigned to the Pentagon." In fact, Currey was an Army Reserve chaplain and college professor who had never served in Vietnam.

In the book Currey is described as "a military historian and author of eight previous books," yet it is from the perspective of the historian that "The Unquiet American" is most unsatisfactory. Currey's account of Lansdale's life and career relies almost entirely on materials written by Lansdale himself and upon interviews with Lansdale and his close associates. Some of these interviews provide fascinating reading. Indeed, the reader would be well advised to check the endnotes to find some of the most revealing statements by Lansdale and Co., which Currey chose not to use in the text.

Unfortunately, the picture that emerges from Currey's reliance on Lansdale as his sole source of information on key events, decisions and personalites is inevitably one-sided and incomplete. The Dartmouth professor Jonathan Mirsky described Lansdale's memoirs, "In the Midst of Wars," published in 1972, as "permeated with lies from the cover to the final pages." Currey admits that Lansdale misled him on at least two significant subjects: his World War II activities and his part in funneling secret U.S. funds to Magsaysay and Diem.

If for no other reason than his prominence as an icon of unconventional warfare, Lansdale deserves a good biography. Unfortunately Currey's one-dimensional treatment is a disappointment.

Ronald H. Spector, author of "Eagle Against the Sun: The American War With Japan," is at work on a book on the later years of the Vietnam War. He wrote this for The Washington Post.

BRIDGE

By Alan Truscott

EVERY player in North America, barring a handful clinging to Ely Culbertson's honor-trick method, uses the 4-3-2-1 point-count introduced early in the century by Milton Work.

Many players think too much about the points in the bidding, failing to allow for other factors that may indicate optimism or pessimism, and not enough about them in the play. An expert is acutely aware of the point-count when he is playing the hand or defending, and mentally places the missing high-cards so they mesh with the points suggested by the bidding.

A simple example is the diagramed deal, in which South reached four hearts after West had opened the bidding. His takeout double, followed by a bid of one heart, showed substantial values, so his final jump to four hearts was an overbid. West led his top clubs and played a third round. South ruffed East's queen and thought about how he could avoid the loss of two trump tricks. Some point-counting was needed. If East held the heart king as well as the club queen, he would have had five points and perhaps scraped up a response to one club. And in that case, West would have had at most 11 points and would probably have passed originally. Both clues suggested that West held the heart king, so South cashed the ace and led a low card from his hand. He was rewarded when the king popped up from West, and it was then easy to bring home the game.

NORTH
♠ K 10 2
♡ 8 5 3
◇ K J 10 9
♣ J 5 2

WEST (D)
♠ J 5 4
♡ K 6
◇ Q 8 7
♣ A K 9 8 4

EAST
♠ 8 6 3
♡ J 10 9
◇ 6 4 3 2
♣ Q 10 6

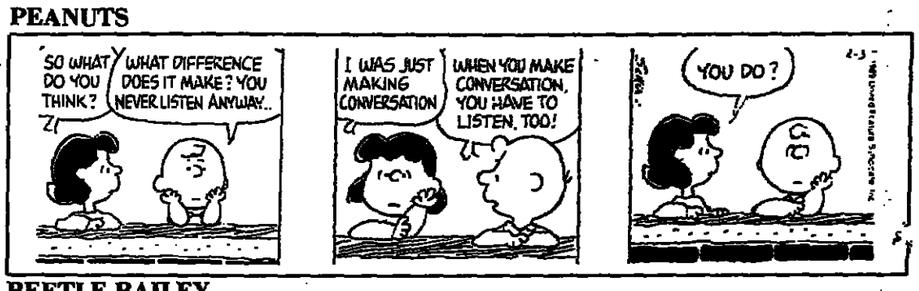
SOUTH
♠ A Q 9 7
♡ A Q 7 4 2
◇ A 5
♣ 7 3

Both sides were vulnerable. The bidding:

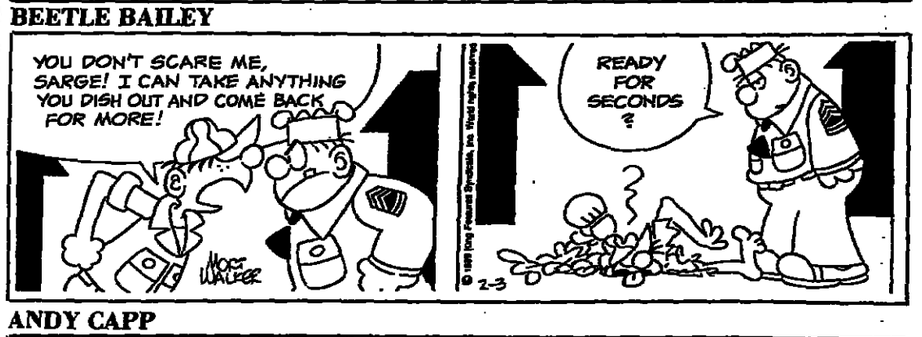
West	North	East	South
1 ♣	Pass	Pass	Dbl.
Pass	1 ◇	Pass	1 ♡
Pass	2 ♡	Pass	4 ♡
Pass	Pass	Pass	

West led the club king.

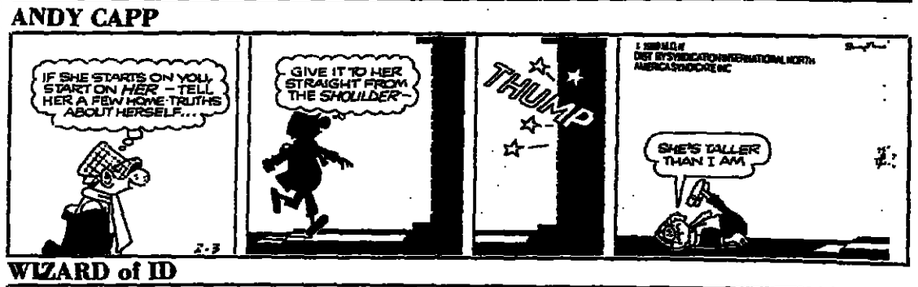
PEANUTS



BEETLE BAILEY



ANDY CAPP

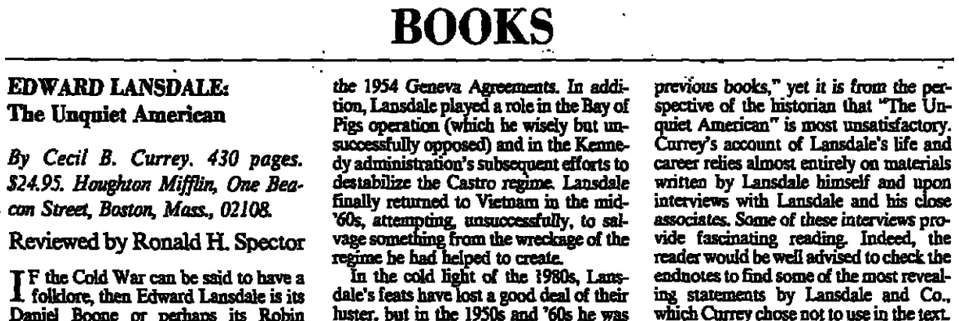


WIZARD of ID

REX MORGAN

GARFIELD

DOONESBURY



DENNIS THE MENACE

JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ETHAL

HALCK

RAZDAH

WUNTAL

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: WHAT YOU ____ TO ____

(Answers tomorrow)

Yesterday's Jumbles: FLUID HEDGE TURKEY POLITE
Answer: What position does a monster play on the hockey team?—"GHOUL-IE"

BLONDIE

هكذا من الأصل

SPORTS

Five Nations Rugby, Act II: Plot Thickens

Bob Donahue
International Herald Tribune

PARIS — The Five Nations rugby serial has scarcely begun and already there is desperation. Will Lad England shock the shires by falling flat on his ruddy face? Will Boy Wales shame his family? Tune in again Saturday.

The Welsh play in Cardiff against Ireland. The English host Scotland at Twickenham outside London. Neither visitor is being written off. The plot, thick with historical footnotes, puts urgent pressure on both home teams.

Rugby can seem important. Two weeks ago, an elderly Welsh fan's funeral was held at 8:30 in the morning to enable his friends to travel to Edinburgh to watch the Scotland-Wales match.

Englishmen are thought to be cool but aren't. Stephen Jones, the Welshman who edits Rothmans Rugby Union Yearbook, calls their coming business at Twickenham "the key match of their recent history — perhaps since the war."

Jones continued in The Sunday Times: "They are steaming. They have prepared well, vividly beating Australia in November and gaining strength at a training camp in Portugal. At every English gathering you can feel the weight of expectation. Twickenham could have sold out four times over."

The English mood will not have escaped Scottish notice. Some may wonder if desperate impatience betrays self-doubt. Why would it be a calamity if Scotland played well and England had an off day on the way to later successes?

The Five Nations serial runs every two weeks from Jan. 21 to March 18. Ireland gave France a scare in the first episode, building a 15-0 lead before the French took off and soared to victory, 26-21. The suspense in Dublin was farfetched. Never before — that is, in no test match including the first in 1906 and since — had a French team recovered from a 15-point deficit.

In Edinburgh, the script was hard on the Welsh. An inexperienced young team needed a good start to the new year against an opponent, Scotland, that many presumed to be second-rate. Instead the Scots zoomed to a 19-0 lead and won, 23-7.

The two Day 1 losers now meet on Day 2. How you see this match depends on how you explain the implausible openers.

"The first half seemed to take some of the players by surprise," Paul Thorburn, the new Welsh captain, said. He and the new coach, John Ryan, remarked on how green the team was (seven Welsh players had not been in a Five Nations match before) and emphasized the second half. "They now know they are as good as Scotland because they finished the match stronger," Ryan said.

Last winter Wales won three out of four and shared the Five Nations title with France. But the coach, Tony Gray, was dumped after two big defeats in New Zealand. And when Ryan's team lost to Romania in Cardiff in December, Welshmen feared the worst. Was the revival of Welsh fortunes in the late '80s, upward toward the '70s-style high standing that Welsh fans expect, a flash in the pan? The question will be put to 15 Irishmen in Cardiff.

What about the Irish? The president of the French Rugby Federation, Albert Ferrasse, forecast at the joint dinner after the Dublin suspense that Ireland would win its three future matches and France would win two and lose one (to England). It was a congenial and perhaps lighthearted prophecy — as well as a goad to the French players to prove him wrong by beating the English on March 4. Still, respect for the Irish team was genuine in the French party.

Ireland ranked third in the world standings (behind New Zealand and France) at the end of 1983. But it finished 1986 at the bottom of the eight-nation table and has remained there. *(See Scoreboard)* Its pool of international-class club players is small. Whether its first half against France was too good to be true remains to be seen.

Scotland and its new captain, Finlay Calder, got off to a sensational start against Wales. The new halfbacks, Gary Armstrong and Craig Chalmers, played confidently. But that euphoria is unlikely to last past Twickenham, where Scotland has won only twice in 21 attempts since the war.

Scotland won a grand slam, all four matches, in 1984. That year it rose past England in the world standings. It peaked in third place on time for the World Cup in 1987, then slumped last year just as England was on the rise. The English won at Murrayfield, 9-6. Veterans retired, and the Scots are now rebuilding for the 1991 World Cup.

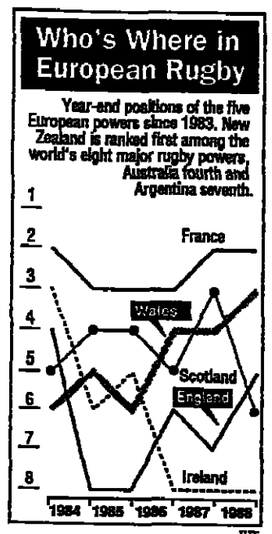
The last English grand slam was in 1980. From second in the world table at the end of 1982, England dropped to last in 1984, below Ireland, below Argentina. The rebound since 1986 has been slow. The feeling is that the time to break into the top half of the table must be now.

"We have enough talent coming through to make a strong challenge in the World Cup," said Will Carling, another new captain.

Geoff Cooke, the team's manager, on the shorter term: "I believe we are capable of winning all our matches this season. We are all realists and we know each game will be difficult. Logically you have to say France are the side to beat, but it never works out just like that."

Who's Where in European Rugby

Year-end positions of the five European powers since 1983. New Zealand is ranked first among the world's eight major rugby powers, Australia fourth and Argentina seventh.



IHT

■ South African Breakaway

Rightist rugby officials, attacking the South African Rugby Board's anti-apartheid moves, announced Thursday the formation of a breakaway all-white organization, Reuters reported from Johannesburg.

The board's president, Danie Craven, a critic of apartheid, held talks last year with the banned African National Congress nationalist group in a bid to end South Africa's sporting isolation.

The new South African White Rugby Union was organized by T.J. Ferreira, a member of the rightist Conservative Party.

Craven, who said he had expected the breakaway for a long time, added: "It is just as well to know who is with us and who is against us."

Davis Cuppers Resume Play This Weekend

The Associated Press

NEW YORK — Two teen-agers, one a veteran, will be the key to U.S. hopes in Davis Cup competition this weekend when the Americans host Paraguay in the opening round of World Group play.

In other World Group matches starting Friday, West Germany, the defending champion, will play Indonesia; Sweden takes on Italy; Austria meets Australia; Yugoslavia is playing Denmark; Spain faces Mexico; Israel plays France, and Czechoslovakia will face the Soviet Union.

The quarterfinals will be held April 7-9, with the semifinals on July 21-23. The final is scheduled for Dec. 15-17.

Seventy-nine nations will compete in Davis Cup play this year with the Bahamas, the Dominican Republic, Bahrain, Jordan and Kuwait taking part for the first time.

The U.S. veteran is 18-year-old Andre Agassi, ranked third in the world. He will be joined in the singles by Michael Chang, a 17-year-old who turned pro in 1988 and finished the year ranked 30th.

In the doubles will be specialists Ken Flach and Robert Seguso, seeking to extend their unbeaten doubles streak to eight in Davis Cup competition.

West Germany, led by Boris Becker, Carl-Uwe Steeb, Eric Jelen and Patrick Knehnen, will host Indonesia at Karlsruhe. The Germans won the cup for the first time in December by defeating Sweden, the defending champion.

In Malmo, Sweden, the host team will be without Mats Wilander and Stefan Edberg when it takes on Italy. Wilander decided to take time off after he was upset in the Australian Open, and Edberg injured his back in his semifinal victory at Melbourne.

Sweden will have Mikael Pernfors, Jonas B. Svensson and Anders Jarryd — all ranked in the top 31 in the world — along with Jan Gunnarsson. Italy's top-ranked player is No. 77 Paolo Cane.

The United States returns to World Group competition — the 16 nations who actually compete for the trophy — against Paraguay in the best-of-five-matches format Friday through Sunday at Fort Myers, Florida.

Chang, who in 1987 became the youngest player to win a men's match at the U.S. Open, was named to the U.S. squad when John McEnroe decided to skip the first round because of prior commitments. McEnroe, who teamed with Agassi last year to lead the Americans to the title in the American Zone, returning the United States to the World Group, is expected to play in later rounds this year.

Paraguay's team, which defeated the United States in 1987, is led by Alberto Gross Brown, with Victor Pecci, Hugo Chapacu and Francisco Gonzales, and a newcomer, Rubin Alvarenga.

Pecci, who has a 17-7 record in Davis Cup singles play, won two singles matches, including the fifth and decisive match, against the U.S. team two years ago. Chapacu rallied for a five-set victory, tying the Davis Cup match, 2-2. Gonzales played doubles with Pecci in that match and lost in five sets to Flach and Seguso.

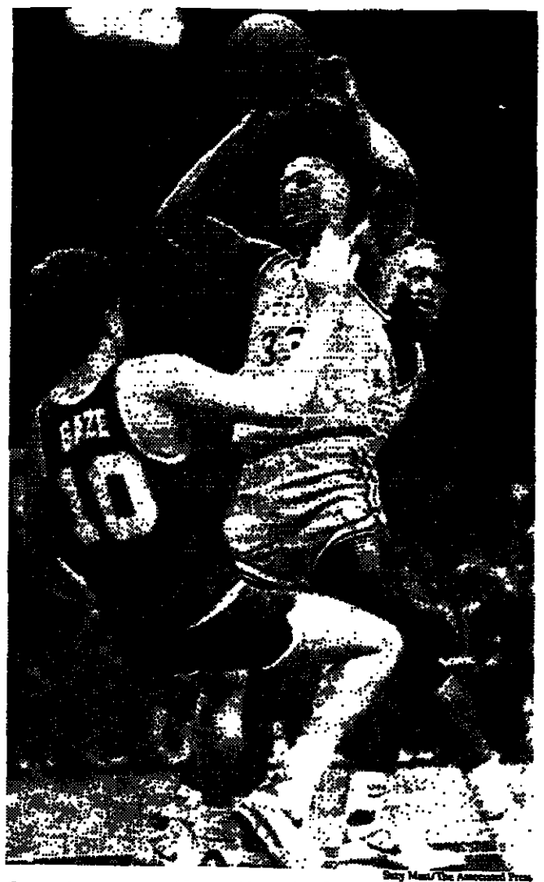
First-round matches in zone play also will be held this weekend, with the champions advancing to a higher group in 1990.

In the Euro-African Zone Group I, Hungary will be at Zimbabwe, Finland at Ireland and Senegal at Portugal.

In the American Zone Group I, Ecuador is at Peru and Uruguay at Canada. The Philippines will be host to Hong Kong in the Asia-Oceania Zone Group I.

The African Zone Group II will have Algeria at Tunisia, while in the American Zone Group II, Chile is at Jamaica, Cuba at Colombia, Bolivia at the Dominican Republic and Venezuela at the Bahamas.

Four first-round matches are scheduled for the Asia-Oceania Zone Group II: Syria at Bahrain, Malaysia at Sri Lanka, Bangladesh at Iraq and Kuwait at Jordan.



Suzy Maas/The Associated Press

Georgetown center Alonzo Mourning kept the ball from Seton Hall's Andrew Gaze as the Hoyas' Dikembe Mutombo peeked.

Clemson Too Tough For North Carolina On Night of Upsets

The Associated Press

CLEMSON, South Carolina — It was a night of upsets for the powers of U.S. college basketball.

Third-ranked North Carolina lost, 85-82, to Clemson — a team it had beaten 85 times in 97 meetings.

North Carolina State (14-3), ranked No. 13 by The Associated Press and tied with North Carolina for the Atlantic Coast Conference lead, was routed by Virginia, 91-71.

Then Memphis State defeated eighth-ranked Florida State, 99-82, and Minnesota beat No. 15 Ohio State, 76-73.

North Carolina (18-4) led Clemson (13-5) by 82-80 on two free throws by J.R. Reid with 1:21 left. But Kirkland Howling's three-point shot with 53 seconds to go gave the Tigers a one-point lead and, after the Tar Heels missed, Howling was fouled and made both one-and-one free throws with 24 seconds left.

Clemson's coach, Cliff Ellis, had gambled that the Tar Heels would go to a zone in the final minute and brought in Howling for his three-pointer shooting.

"We were lucky that they went to the zone," Ellis said. "We might have been in trouble if they had used a man-to-man because our ballhandlers were not in the game."

North Carolina's coach, Dean Smith, also gambled. But he lost.

"I thought we could cover their [outside] shots with our point [zone]," he said. "I don't think they got a great shot, but Howling certainly made it."

"Everybody was hyped for this game," Howling said. "We thought we could beat North Carolina. You have to believe it, and tonight it showed."

Clemson's victory came days after six of its players were suspended for violating team policy on study hall attendance. All but one was back for the North Carolina game, including Dale Davis, who had a season-high 21 points and a career-high 21 rebounds.

Reid led North Carolina with 25 points, but senior guard Jeff Lebo was held scoreless for the first time in college. He missed all seven shots.

Virginia 91, North Carolina State 71: In Charlottesville, Virginia, the game was never in doubt after Richard Morgan and Curtis Williams each scored six points during the Cavaliers' 25-4 start. Morgan led all scorers with 20 points.

Memphis State 99, Florida State 82: In Tallahassee, Florida, Elliott Perry scored a career-high 33 points, and Rodney Douglas had 17 points and 15 rebounds for Memphis State, which jumped to a 9-0 lead and was never threatened in ending Florida State's (16-2) eight-game winning streak.

Minnesota 76, Ohio State 73: In Minneapolis, Melvin Newbern, who missed a one-and-one free throw with 59 seconds to play, made a driving lay-up with eight seconds left to put Minnesota ahead. Ohio State (15-5) had a chance to retake the lead, but Jay Burson was called for a double-dribble just before he sank a 15-foot jumper with three seconds left. Then the Buckeyes' bench was charged with a technical foul, and Willie Burton, with a career-high 30 points, made both free throws.

Oklahoma 90, Kansas State 82: In Manhattan, Kansas, Stacey King scored 27 points and No. 1 Oklahoma (18-2) avoided the sweep of upsets by holding Kansas State to just two points in the final 3:23 after Fred McCoy's hook shot had tied the score for the Wildcats.

Missouri 91, Kansas 66: In Lawrence, Kansas, Byron Irvin scored 22 points and Lee Coward added 19 and began scoring bursts in each half as No. 5 Missouri (19-3) won at Kansas for the first time since Jan. 26, 1983.

Georgetown 74, Seton Hall 66: In Landover, Maryland, Alonzo Mourning scored 17 points and led a second-half surge that enabled No. 6 Georgetown (16-2) to solidify its hold on first place in the Big East Conference. Charles Smith had 18 points for Georgetown, which had lost last month to No. 10 Seton Hall (18-3).

Louisville 108, Virginia Tech 95: In Louisville, Kentucky, Tony Kimbro scored 21 points and Keith Williams scored 19 — career highs for both — as the No. 7 Cardinals (15-3) won without their injured center, Pervis Ellison. He was replaced by Felton Spencer, who got 19 points and eight rebounds before fouling out with four minutes left.

Syracuse 90, Villanova 57: In Syracuse, New York, Derrick Coleman scored 20 points and the No. 14 Orangemen dominated with their inside game by scoring 17 straight points in the first half and avenging an earlier loss to Villanova.

TOP-20 BASKETBALL

Top 10 Counts Less To Folks Down Under

Los Angeles Times Service

GREENSBURG, Pennsylvania — Andrew Gaze, an Australian who plays for the No. 10-rated Seton Hall basketball team, said in a live radio interview back home, "We're doing very well, we're in the top 10."

There was silence Down Under.

"They didn't understand at first," Gaze said. "Back home there are only 14 schools."

Abdul-Jabbar's Star Is Dimmed in NBA West

By Sam Goldaper
New York Times Service

NEW YORK — In packed arenas across the United States, the teams and the fans of the National Basketball Association have been saying their goodbyes to Kareem Abdul-Jabbar with gifts and tributes.

With All-Star Games considered more symbolic than competitive, the Western Conference coaches could have paid the 41-year-old, 7-foot, 2-inch (2.18-meter) center of the Los Angeles Lakers an even greater honor had they selected him for the game.

They did not. Instead, the conference coaches, who vote for the backups to the fans' choices for the starting team, chose Kevin Duckworth of the Portland Trail Blazers and Mark Eaton of the Utah Jazz as the reserve centers behind Akeem Olajuwon of the Houston Rockets.

Each conference coach was required to select two centers, two forwards, two guards and one player regardless of position for the game Feb. 12 at the Houston Astrodome. A coach was not permitted to vote for any of his own players.

Six reserves were then chosen from the highest total of vote-getters at each position with the next biggest vote-getter over all getting the last spot, regardless of position.

In addition to Duckworth and Eaton, the coaches chose Tom Chambers of the Phoenix Suns, James Worthy of the Lakers and Chris Mullin of the Golden State Warriors as forwards and John Stockton of the Utah Jazz and Clyde Drexler of the Trail Blazers as guards. Pat Riley of the Lakers will coach the West team.

This is only the second time in Abdul-Jabbar's 20 NBA seasons that he has failed to be named to an All-Star team. The first time was in 1978 when he broke his hand in a fight and missed the first 20 games of the season.

In 1973, while a member of the Milwaukee Bucks, he was voted to the All-Star team but chose not play in the game. Several of his friends were slain that year in a confrontation between rival Muslim factions at a home in Washington that Abdul-Jabbar owned. He served as a pallbearer at their funerals during the All-Star break.

After Julius Erving announced in 1987 that he would retire, the fans paid the star of the Philadelphia 76ers a tribute by voting him to the starting East team.

In 1978, when the Celtics' John Havlicek announced his retirement and was not voted to the team, Larry O'Brien, the NBA commissioner, named him to the squad as a replacement for the injured Pete Maravich. In further tribute, Doug Collins, now the coach of the Chicago Bulls, relinquished his spot in the starting back court to Havlicek.

Should there be an injury to any of the conference players, the NBA commissioner, David Stern, has the same option as that chosen by O'Brien. But for now, Abdul-Jabbar has apparently rejected any concessions.

"We've been in touch with Kareem's representatives for the last few weeks and it has been our understanding that Kareem did not wish to receive any special appointment if he were not elected in the normal voting process by either the fans or the coaches," said Russ Granik, the NBA's executive vice president.

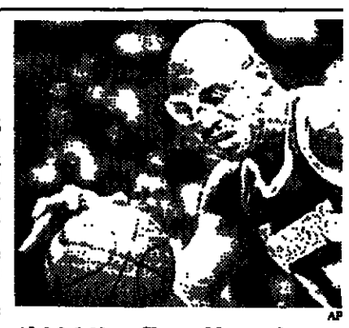
"Instead, the NBA will honor him with special tribute at our annual banquet the night before the All-Star Game."

Last week, Abdul-Jabbar, who is averaging 9.5 points a game, 16 fewer than his career scoring average, said he felt he should not be selected to the All-Star squad.

"If I make the All-Star team, something is wrong," said the highest scorer in NBA history. "I haven't played well enough to make it. I don't deserve to be on the All-Star team."

"My feelings are that a spot on the All-Star team should be earned," said Don Nelson, the Golden State Warriors' coach.

Cotton Fitzsimmons, the Phoenix Suns' coach, felt differently. "I voted for Kareem and I don't care who knows," he said.



AP

Abdul-Jabbar: Shunned by coaches.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE	W	L	Pct.	GB
Atlantic Division				
New York	28	16	.636	—
Philadelphia	25	19	.568	3
Boston	21	22	.488	6½
New Jersey	17	25	.405	10
Washington	16	25	.390	10½
Charlotte	11	33	.250	17
Central Division				
Cleveland	32	9	.780	—
Detroit	28	13	.683	4
Milwaukee	27	14	.659	5
Atlanta	27	16	.628	6
Chicago	24	17	.585	8
Indiana	11	31	.262	21½

WESTERN CONFERENCE	W	L	Pct.	GB
Midwest Division				
Utah	26	17	.605	—
Houston	25	17	.595	½
Dallas	21	20	.512	4
Denver	22	22	.500	4½
San Antonio	12	30	.286	13½
Miami	4	37	.098	21
Pacific Division				
L.A. Lakers	30	14	.682	—
Phoenix	27	15	.643	2
Seattle	26	15	.634	2½
Portland	23	19	.548	6
Golden State	22	19	.537	6½
Sacramento	12	29	.293	16½
L.A. Clippers	10	33	.233	19½

WEDNESDAY'S RESULTS

Boston	31	27	24	25—107
Charlotte	24	25	21	24— 94

Parish 11-16 2-3 24, McHale 6-12 9-10 21; Holton 8-11 5-7 21, Tripucka 3-13 10-10 16. Rebounds: Boston 70 (Parish 24), Charlotte 55 (Cureton 15). Assists: Boston 22 (Shaw 6), Charlotte 14 (Holton, Bogues 5).

Washington	30	30	23	23 4—110
Philadelphia	25	33	30	16 9—114

Gminski 11-20 4-4 26, S.Jones 7-10 6-8 20; King 13-21 9-10 35, Malone 10-25 2-2 22. Rebounds: Washington 62 (King 12), Philadelphia 56 (Gminski, Anderson 13). Assists: Washington 33 (Walker 9), Philadelphia 27 (Brooks 10).

L.A. Lakers	38	11	30	18— 97
Phoenix	38	32	25	19—114

Ed.Johnson 12-23 5-5 32, Gilliam 8-16 8-13 24; Ea.Johnson 5-16 7-8 17, Worthy 7-12 1-4 15, Abdul-Jabbar 7-10 1-3 15, Woolridge 7-8 1-2 15. Rebounds: Los Angeles 54 (Ea.Johnson 12), Phoenix 55 (Gilliam 14). Assists: Los Angeles 23 (Ea.Johnson 9), Phoenix 31 (K.Johnson 12).

Atlanta	21	27	23	23—94
Utah	29	22	18	34—103

Levingston 9-11 3-4 21, M.Malone 6-15 1-2 13; Bailey 10-21 4-5 24, K.Malone 8-22 4-6 20. Rebounds: Atlanta 56 (Levingston 12), Utah 59 (Eaton 14). Assists: Atlanta 21 (Theus 7), Utah 20 (Stockton, Lee 6).

Portland	31	19	34	24—108
L.A. Clippers	29	38	25	23—107

Vandeweghe 12-23 3-3 28, Drexler 9-25 6-6 24; Benjamin 6-12 11-13 23, Smith 8-18 6-7 22. Rebounds: Portland 58 (Jones, Drexler 9), Los Angeles 54 (Smith 11). Assists: Portland 34 (Porter 12), Los Angeles 27 (Garrick 10).

Selected College Scores

EAST

Bucknell 77, Lafayette 64
Delaware 79, Hofstra 77, 2OT
Drexel 85, Rider 66
Fairleigh Dickinson 95, Wagner 71
Georgetown 74, Seton Hall 66
Hartford 68, Colgate 62
James Madison 74, Navy 71
La Salle 91, Iona 62
Northeastern 102, Vermont 75
St. John's 87, Providence 73
St. Peter's 81, Manhattan 62
Syracuse 90, Villanova 57
Towson St. 101, Lehigh 77

SOUTH

Clemson 85, North Carolina 82
E. Tennessee St. 98, Wake Forest 94
East Carolina 73, William & Mary 68
Florida 85, Alabama 76
Furman 87, Wofford 76
Kentucky 73, Mississippi St. 61
LSU 105, Mississippi 75
Louisville 108, Virginia Tech 95
Maryland 78, Md.-Baltimore County 66
Memphis St. 99, Florida St. 82
New Mexico 118, Miami, Fla. 93
Vanderbilt 68, Tennessee 56
Virginia 91, N. Carolina St. 71

MIDWEST

Ball St. 66, Miami, Ohio 51
Cincinnati 84, Xavier, Ohio 76
E. Michigan 70, Bowling Green 69
Kent St. 84, W. Michigan 65
Minnesota 76, Ohio St. 73
Missouri 91, Kansas 66
Oklahoma 90, Kansas St. 82
St. Louis 64, E. Illinois 60
Toledo 74, Cent. Michigan 73

SOUTHWEST

Arkansas 88, Houston 87
Rice 90, E. New Mexico 63
Southern Meth. 68, Texas Christian 57
Texas 85, Texas A&M 80
Texas Tech 74, Baylor 66

FAR WEST

Colorado 102, Oklahoma St. 86

College Leaders

Team Offense	G	W-L	Pts.	Avg.
Loyola Marymount	18	11-7	1976	109.8
Oklahoma	19	18-1	2080	109.5
Southern-B.R.	18	11-7	1771	98.4
Florida St.	17	16-1	1649	97.0
Ark.-Lit. Rock	18	14-4	1728	96.0
Texas	19	15-4	1803	94.9
Michigan	20	16-4	1884	94.2
Syracuse	21	17-4	1976	94.1
Nevada-Reno	17	11-6	1597	93.9
Kansas	20	16-4	1871	93.6
Team Defense	**G**	**W-L**	**Pts.**	**Avg.**
Princeton	14	10- 4	757	54.1
St. Mary's, Calif.	19	17- 2	1039	54.7
Boise St.	17	14- 3	975	57.4
Idaho	20	17- 3	1177	58.8
Ball St.	18	16- 2	1076	59.8
Arkansas St.	20	16- 4	1213	60.7
Wis.-Green Bay	17	9- 8	1045	61.5
Lafayette	18	14- 4	1113	61.8
Fresno St.	17	9- 8	1061	62.4
Connecticut	17	12- 5	1065	62.6

INDIVIDUAL

Scoring	Cl	G	TFG	3FG	FT	Pts.	Avg.
Gathers, LoyCo	JR	18	248	0	98	594	33.0
Jackson, LSU	fr	19	195	43	98	531	27.9
Simmons, LaSl	JR	19	199	15	115	528	27.8
Dudley, AFA	fr	19	182	73	73	510	26.8
Smith, BYU	sr	17	171	27	85	454	26.7
King, Okla	SR	16	162	0	98	422	26.4
Coles, VaTch	JR	17	148	38	111	445	26.2
Glass, Miss	JR	17	163	26	86	438	25.8
Tarr, Marshl	SO	16	146	32	88	412	25.8
Edwards, BCar	SR	18	181	14	84	462	25.7

Rebounding	Cl	G	No.	Avg.
Gathers, LoyCal	JR	18	239	13.3
Drauer, Amren	JR	16	193	12.1
Hill, Xavier	JR	19	229	12.1
Coleman, Syra	JR	21	250	11.9
Battles, Souirn	SR	18	211	11.7
Simmons, LaSal	JR	19	219	11.5
Burton, LIU	sr	18	206	11.4
King, Okla	SR	16	183	11.4
Robinson, Wright	SR	17	194	11.4
Bonner, StL	jr	20	226	11.3

HOCKEY

NHL Standings

WALES CONFERENCE	W	L	T	Pts	GF	GA
Patrick Division						
NY Rangers	28	17	8	64	213	184
Washington	26	18	10	62	195	177
Pittsburgh	28	16	4	60	234	212
Philadelphia	26	23	3	55	203	177
New Jersey	18	25	9	45	182	218
NY Islanders	16	31	3	35	165	213
Adams Division						
Montreal	35	14	6	76	205	156
Buffalo	24	22	6	54	190	194
Boston	20	22	11	51	176	175
Hartford	21	26	4	46	187	185
Quebec	18	29	6	42	180	234

CAMPBELL CONFERENCE	W	L	T	Pts	GF	GA
Norris Division						
Detroit	23	21	8	54	203	204
St. Louis	18	23	9	45	170	182
Minnesota	16	23	13	45	177	194
Chicago	17	29	7	41	204	229
Toronto	16	31	5	37	153	218
Smythe Division						
Calgary	34	11	9	76	220	153
Los Angeles	27	21	4	58	263	226
Edmonton	26	22	6	58	229	206
Vancouver	20	26	7	47	173	172
Winnipeg	18	23	9	45	201	223

WEDNESDAY'S RESULTS

Washington	3	2	0	1—6
N.Y. Rangers	3	1	2	0—5

Hunter (13), Francescheiti (5), Christian (24), Ridley (28); Ogrodnick (9), Granato (22), Sandstrom (18). Shots on goal: Washington (on Vanbiesbrouck) 9-10-10-4—33; New York (on Malarchuk) 10-8-19-0—37.

Winnipeg	4	0	0	0—4
Chicago	0	1	4	2—7

Presley (11), Vincelette (9), Konroyd 2 (4), Creighton (11), T.Murray (12), Graham (21); Fenton (11), Hawerchuk (28), Carlyle (4), Elatt (21). Shots on goal: Winnipeg (on Cheverfier) 11-3-3—17; Chicago (on Berthiaume) 8-11-15—34.

Boston	2	0	2	0—4
Minnesota	1	2	1	0—4

Galley (6), Johnston (4), Neely 2 (23); Ciccarelli (26), DePalma (5), Rouse (7), Gagner (27). Shots on goal: Boston (on Casey) 8-6-16—30; Minnesota (on Moog) 9-11-10-0—30.

Vancouver	2	1	0	0—3
Edmonton	1	2	1	0—4

Jonsson (4), Carson 2 (39), Messier (20); Bradley (14), Lindsay 2 (22). Shots on goal: Vancouver (on Renford) 12-12-6—30; Edmonton (on McLean) 6-6-13—25.

SKIING

World Championships

(In Vail, Colorado)

WOMEN'S OVERALL STANDINGS

1. Tamara McKinney, U.S., 545 pts
2. Vreni Schneider, Switz., 266
3. Brigitte Oertli, Switz., 228
4. Mateja Svet, Yugoslavia, 205
5. Anita Wachter, Austria, 257
6. Ulrike Maier, Austria, 270
7. Petra Kronberger, Austria, 291
8. Michelle McKendry, Canada, 304
9. Kerrin Lee, Canada, 314
10. Pascaline Freiher, France, 331

WOMEN'S COMBINED DOWNHILL

1. Kerrin Lee, Canada, 1:31.70
2. Brigitte Oertli, Switz., 1:31.99
3. Tamara McKinney, U.S., 1:32.10
4. Ulrike Maier, Austria, 1:32.25
5. Anita Wachter, Austria, 1:32.61
6. Roel Kremm, West Germany, 1:32.86
7. Nathalie Bouvier, France, 1:33.37
8. Michelle McKendry, Canada, 1:33.44
9. Petra Kronberger, Austria, 1:33.55
10. Chantal Knaus, U.S., 1:33.60

TRANSITION

BASEBALL

American League

CALIFORNIA—Agreed to terms with Chili Davis, outfielder, on three-year contract.

CLEVELAND—Agreed to terms with Brad Havens, pitcher, on one-year contract.

MILWAUKEE—Agreed to terms with Rob Deer, outfielder, on two-year contract, and Dan Plesac, pitcher, on one-year contract.

TORONTO—Signed Jimmy Key, pitcher, to four-year contract.

National League

ATLANTA—Agreed to terms with Gerald Perry, first baseman, and Charlie Puleo, pitcher, on one-year contracts.

CINCINNATI—Invited Jeff Gray, pitcher, to spring training as non-roster player.

NEW YORK—Agreed to terms with Rick Aguilera, pitcher, on one-year contract.

SAN DIEGO—Signed Jack Clark, first baseman, to two-year contract.

RUGBY

RUGBY'S BIG EIGHT

Last 10 tests among the eight

	W	D	L	Tries
1. New Zealand	9	1	0	52
2. France	7	0	3	23
3. Wales	5	0	5	16
4. Australia	3	2	5	23
5. England	4	0	6	17
6. Scotland	3	1	6	16
7. Argentina	2	1	7	7
8. Ireland	2	0	8	13

Last tests (Jan. 21): Scotland 23, Wales 7; Ireland 21, France 26.

Next (Feb. 4): England-Scotland; Wales-Ireland.

Said Aouita: Casablanca's $100,000 Olympian in New York

By Dave Anderson
New York Times Service

NEW YORK — Bundled in sweat clothes, his dark eyes peering through dawn's early light, a wispy stranger from Casablanca was running Wednesday in Central Park when some joggers recognized him.

"They took my picture," Said Aouita said. "They said hello to me."

The joggers knew that this 28-year-old Moroccan is among the best middle-distance runners in history, that he won the Olympic gold medal at 5,000 meters at Los Angeles in 1984, that he holds world records for the 1,500, 2,000 and 5,000 meters as well as the two-mile run, that he won an Olympic bronze medal in Seoul last year despite a damaged hamstring.

Most of all, they knew he would be on display at 3,000 meters in the Millrose Games Friday night at Madison Square Garden.

"I come here," he said, "because it's important to run with the best."

And it's important that he regain his reputation after his Olympic disappointment.

"If I want to prove I'm the best again," he said, "I must break world records"

It's also important that Said Aouita (pronounced Sa-EED Ah-WEET-a) sustain his lifestyle. The oldest of six children of a paper mill worker, he sold watermelon seeds in Fez as a youngster.

When the family moved to New Fez, settled in the 13th century, he hurried through its narrow shadowy streets. But now he lives with his wife, Khadija, and their two-year-old daughter Souksina in a Casablanca villa, a gift from King Hassan II for his 1984 Olympic victory.

In his travels he prefers to speak French, but speaking English Wednesday he understood the value of his accomplishments.

"The world records are for the sponsors and the money," he said. "The Olympics are for our country."

Yes, the money. For his first American indoor tour, Aouita reportedly will collect $100,000, shared by five promoters.

After Friday night's 3,000, he will run the 5,000 on Sunday at the Mobil I meet in Fairfax, Virginia, the mile next Friday at the Meadowlands Invitational in East Rutherford, New Jersey, the 1,500 in Los Angeles on Feb. 17, and the mile at the Indoor Championships at Madison Square Garden on Feb. 24.

"After my third place in Seoul," he said, "I want to prove I am the best. I will start indoors and then go outdoors."

In Seoul, the 128-pound (58 kilograms) 5-foot, 8-inch (1.73-meter) Moroccan had been touted as a potential triple gold medalist at 800, 1,500 and 5,000 meters. But with the 5,000 final set to start only 20 minutes before the 1,500 final, he never planned to run the 5,000.

"I am not Superman," he said.

During a workout two days before the 800 final, Aouita pulled the hamstring muscle in his right thigh.

"My mistake was running the 800 with my bad leg," he said. "The doctor told me it would be O.K., our Moroccan doctor."

Three days later Aouita ran in the first round of the 1,500, but withdrew from the semifinals. Asked if he could have won two gold medals if he was healthy, or three if the 1,500 and 5,000 had been on separate days, he never hesitated.

"In the 800, I win, no problem," he said. "In the 1,500 you know I'm the best. In the 5,000 I break the world record two times."

On his return home, Aouita attended an Olympic reception at the king's palace for Morocco's medalists. But in contrast to his 1984 return from Los Angeles, he was no longer a national hero.

"When I win, everybody was with me," he said. "If I don't, they speak bad of me."

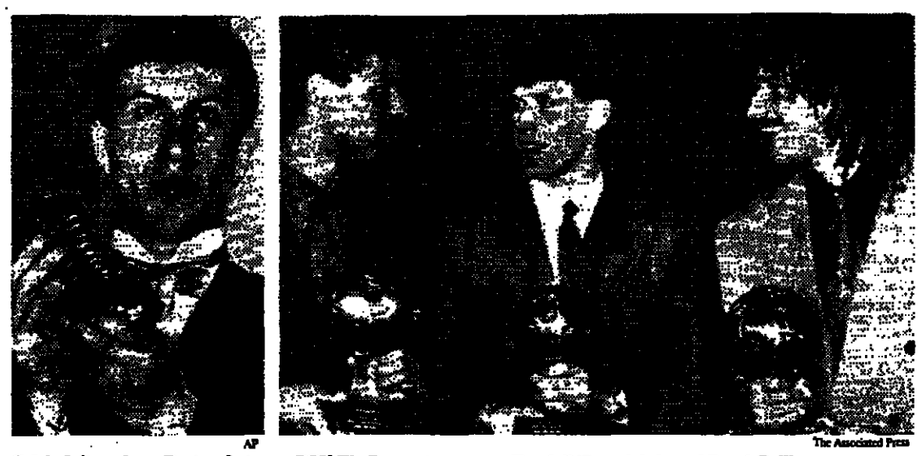
Two days later, Aouita had heard enough criticism. He packed up his wife and daughter and took them to Orlando, Florida, for a month's vacation.

Now, after training in a Casablanca stadium in recent weeks, he is here for the indoor circuit that will help prepare him for the World Cup meet in Barcelona in September.

But he has run indoors only once before, beating Eamon Coughlan at 3,000 meters on a banked board track in Valencia, Spain, two years ago.

In Friday's 3,000 he will oppose Jose-Luis Gonzalez of Spain, the world record-holder, as well as Steve Scott.

"There isn't a secret to be a great runner," Aouita said. "You just try hard, hard, hard."



AP The Associated Press

Colak, left, and van Basten, between PSV Eindhoven teammates Frank Rijkaard, left, and Ruud Gullit.

Colak, van Basten Honored in Soccer

Reuters

MONTE CARLO — Turkish striker Tanju Colak has been presented with the annual Golden Boot trophy as Europe's top goal scorer in soccer.

Colak scored 39 goals for his club, Galatasaray, as it won the Turkish title in the 1987-88 season. His prize was presented by Gert Müller, the former center forward for the West German national squad, at a special ceremony Wednesday night.

The European champion, PSV Eindhoven of the Netherlands, was also honored as the club of the year and the Dutch player Marco van Basten picked up two trophies.

Van Basten, the 1986 Golden Boot winner, received awards as the best player and the top goal scorer of the 1988 European Championship. He scored five times in the tournament as the Netherlands won the title.

OBSERVER

Take the Easiest Money

By Russell Baker

NEW YORK — Ronald Reagan came out of the White House rested up and raring to go. During his first week out in the world of free enterprise he signed up to write a memoir, compile a book of his speeches and go on the lecture circuit.

Ron, old buddy, believe me on this one because I know what I am talking about. You were entitled to pay me no mind when I told you how to run the country, and I didn't resent it, because as my relatives all asked at one time or another, "How many countries have you run, big shot?"

What you are getting into now, though, I do know about. I have done the lecture circuit. I have written memoirs. I have compiled collections of past utterances.

□

Any one of these things can be done without killing yourself. A man with incredible stamina could even do two of them without breaking down. But nobody, Ron, nobody can do all three, including fellows who can't get through a cabinet meeting without nodding off.

First, I'd forget the lecturing. The papers say you can get maybe $50,000 per lecture. Wow, they say: That's good pay for 30 minutes of idle chatter. But is it?

Before you even see the $50,000, a lecture agent takes 30 percent. Leaves you $35,000. Half of the $35,000 then goes to various governments in taxes, plus interest, penalties and psychic costs of being menaced and browbeaten by auditors of aforesaid governments. Leaves you $17,500.

All right, even $17,500 isn't bad for 30 minutes' work. Except you can't do it in just 30 minutes, because getting to the job site almost certainly means flying.

Ron, baby, have you used any of the commercial airlines since your deregulating experts got through with them? It can take all day to get to a $17,500 job, and all day can be forever when you spend it wondering if one of the engines might drop off en route. Then, after you do the job you've got to fly all over again to get home.

To make things worse, everybody will think you're getting away with the whole $50,000 mentioned in the papers.

"He is disgustingly overpaid," they will say, never realizing that you are not disgustingly overpaid, just outrageously overpaid. Sad to say, Ron, but a lot of misinformed, envious people are going to start disliking you.

Who needs lecturing at $17,500 a time when you can stay home — no dreary airports, no antique engines, no missed connections at O'Hare Airport — and work on the memoir for $5 million.

That's only the papers' guess about what you're getting for the memoir, but let's say it's merely $3 million for the memoir while the other $2 million is for the collection of old speeches.

Even the mere $3 million for the memoir makes it senseless to use up your time, energy and luck lecturing at $17,500. Here's why: Unlike the lecture agent who takes 30 percent, a literary agent takes only 10 percent. Leaves you $2.7 million. Set aside half for taxes. Leaves you $1.35 million.

To make that much money on the lecture circuit, you'd have to deliver 77 lectures. That means at least 154 airplane trips, but probably lots more than that, with hundreds of hours of additional plane-change agony at O'Hare, Atlanta, etc.

□

Obviously, smart ex-presidents will stay home and do the memoir. Except that writing a memoir is no fun because first you have to learn to work a word processor. Then you have to sit alone in a room with the shades drawn, not talking to anybody, just studying the inside of your skull, going through old papers, thinking about the past.

Thinking about the past, reading old documents, never able to talk to anybody while you work — this is the road to deep depression, to Outer Melancholia. Who needs $1.35 million that bad, right, Ron?

Especially when the collection of old speeches will earn you $2 million. Subtract agent's 10 percent, leaves $1.8 million. Subtract half for taxes, leaves $900,000.

The beauty part? You don't even have to write the speeches. You never had to write the speeches. Somebody else wrote them for you, remember? All you have to do is paste them together and mail them to the printer, then nod off until the check comes in. It's your kind of work, baby.

New York Times Service

Writing Death as a Fact of Life

By Mervyn Rothstein
New York Times Service

NEW YORK — A.B. Yehoshua's new novel, "Five Seasons," begins at 4 A.M. one autumn morning in the bedroom of an apartment in Haifa as a middle-aged Israeli named Molkho watches his wife die after a seven-year struggle with cancer.

The book, which has been a best seller in Israel and has recently been published to critical praise in the United States, follows Molkho through the next five seasons, as he thinks back over the seven years of suffering, begins to cope with the reality of his wife's death and takes his first tentative steps toward a new life.

"I think I have been for a long time fascinated by trying to understand death," said the 52-year-old Yehoshua, who is one of Israel's best-known authors and whose other novels include "A Late Divorce" and "The Lover."

"I am from a family in which speaking about death at the table was quite the usual thing. My father had an attitude toward death in which it was a subject all the time — he would talk about what would happen after he died, and about going to funerals. There was a joy in speaking about the inevitability of his death, in talking about it as a part of life."

"The first story I published was called 'The Death of the Old Man,' " Yehoshua continues. "It's about a man who doesn't want to die. An old lady in his building decides that it is enough — that if he is not going to die, the neighbors will bury him alive. All the neighbors participate in this operation, and even get his cooperation in getting him into the grave. It's a kind of satire, an absurd kind of story. But the death was the integral part. If you trace all my stories, death is present."

Yehoshua was interviewed in the Manhattan offices of his publisher, Doubleday, hours before flying home to Haifa, where he lives with his wife, a psychoanalyst, and teaches literature at the University of Haifa.

He is a native of Jerusalem; his family has lived for five generations in what is now Israel.

"My ancestors on my father's side came from Salonika, in Greece, in the middle of the 19th century," he said. "My mother came from Morocco."

Jack Manning/The New York Times

> 'I think I have been for a long time fascinated by trying to understand death. Everybody knows it will come, so make it part of your life.'
> A.B. Yehoshua

The "A" in A.B. stands for Abraham. The "B," he said, is for a nickname that girls in primary school gave him: "Bulli."

"It has no meaning at all," he said. "When I found out what it meant in English, I was horrified. But it was too late to change it."

Yehoshua is a member of the political left in Israel and has actively called for a change in his country's policy in Gaza and the West Bank. Some of his politics is reflected in the new novel, he said, because it is set in Israel and must by necessity deal with the way he sees his country. But politics, he said, is not what "Five Seasons" is primarily about.

"I was starting another novel, a very complicated one," he said, "one that I'm working on again now. It's a historical novel that goes backward from now until the middle of the 19th century. But it was too complicated, and I was getting tired. And then a very dear friend of my wife died of cancer. We were prepared for this for a long time. It was nine years of illness. But she was a very close friend of my wife, and we identified very much with the way she struggled."

"My wife and I were here in the U.S.," he said, "and we called Israel, and they told my wife that her friend had died. My wife returned immediately to Israel, and when I got back she told me all the stories that the husband of this woman had told her. And it made so much of an impression on me."

"In a way, that woman's character is behind the character of the woman in the novel," he said. "Not her husband — the husband is different."

In talking about Molkho when the book was published in Israel, Yehoshua said that, although the character is in the prime of life and the world appears to be open before him, he finds that in fact the world is closed.

"I believe that a similar experience is undergone by many people who believe that a great freedom awaits them after the death of their spouse," he said at that time.

"I have always been curious to understand the symbiotic relationship that marriage creates between two people in the closest relationships," he said, "especially the way in which parts of one are transferred to the other. The way in which female and male are mingled together."

"What Molkho has to cope with," Yehoshua said, "is all the work he has done of internalizing his wife. In a way, he swallows his wife. By identifying with her illness he has absorbed her into himself."

"Early in the novel, Molkho said that he doesn't believe there is a soul after death. This was also the opinion of his wife — that there is nothing after death. From that point of view, of ghosts and souls, of course there is nothing. But there are souls that exist because the other person gives them life. He is holding his wife in himself."

The openness in discussing death that Yehoshua and his family have had is something he says he has noticed does not exist in the United States, where, he believes, there is much fear and secrecy about the subject.

"In my opinion this is one of the weaknesses of the hedonistic societies. Everybody knows it will come, so make it part of your life."

There is a middle ground, Yehoshua said, between an attitude that does not care about illness, that said, "O.K., you are dying, this is your fate," to "the extreme position that death is a secret, you have to hide it, you are ashamed to die, it's a failure when you die.

"Death has to be fought when you have an illness, but death is still part of life.

"While I've been in New York, I've seen Thornton Wilder's 'Our Town.' It is so simple, an old play. But I saw myself crying in the last scene, when Wilder takes the young woman, Emily, who has just died, and puts her back to the trivial time of the morning of her 12th birthday, and she realizes how painful it is to see those trivial things. She looks on that common day in 1899 and understands how important every word was that was said, because she died 14 years later.

"The trivial things can get their importance because of death," he said, "because of the presence of death, because of the fact that you know you are going to pass from this world.

"Death," he said, "can give more ceremony to life."

PEOPLE

Diana Takes New York

From atop the 50-story Equitable Center, Diana, the Princess of Wales, declared New York "marvelous." That is sure to please New Yorkers who are in a royal dither over her first official visit, a 48-hour one. After arriving Wednesday, she was whisked to a reception hosted by Irwin Joffe, the president of Dawson International USA, a British knitwear manufacturer. She listened sympathetically when Jack Schultz, president of B. Altman, showed her a photograph of his son, who was killed in the Lockerbie, Scotland, air crash. She is in New York mainly as patron of the Welsh National Opera, which invited her to its American debut at the Brooklyn Academy of Music, where it will perform "Falstaff."

□

The government of Sweden has backed away from a controversial proposal to reduce state support for the royal theater and opera houses that had infuriated arts lovers. It will allocate an extra 18.9 million kronor ($3 million) to the royal stages. "We are doing this in order to calm the cultural community and the staff at these institutions who are worried about redundancies," said Social Democrat Erkki Tammenoksa, of the parliament's cultural committee.

□

Navigation experts retained by the National Geographic Society said they have found evidence to refute the assertion of Baltimore astronomer Dennis Rawlins that a long-suppressed document shows Robert E. Peary faked his claim to have "discovered" the North Pole in 1909. "We are convinced beyond any doubt that the worksheet does not even come close to proving" that Peary faked his 1909 claim, said retired Admiral Thomas D. Davies, president of the Foundation for the Promotion of the Art of Navigation. He said the report was a first step in a larger investigation.

□

Governor Michael Dukakis of Massachusetts is a grandfather for the first time. Alexandra Jane Dukakis was born Wednesday in a Boston hospital. The parents are Dukakis's adopted son, John, and his wife, Lisa.

□

It was just the sort of festivity that Andy Warhol would have immortalized with his Polaroid camera. "He'd have been here, taking pictures — but then, he'd take pictures of anything, including a shadow," said the actor Dennis Hopper, who first met Warhol in 1961. "I wish he were here to enjoy this, but maybe in a way he is," said Jane Holzer, who as Baby Jane Holzer was the first Warhol Girl of the Year. They were two of the partygoers among the 4,000 at the Museum of Modern Art in New York for a reception and private showing of "Andy Warhol: A Retrospective," which opens Monday.

□

Ballerina Natalia Makarova gave her first Soviet performance since defecting to Britain more than 16 years ago, dancing at Leningrad's Kirov theater where she first rose to fame in the 1950s. Tass news agency said Makarova danced a pas de deux from one of her favorite ballets, Tchaikovsky's "Onegin," with partner Alexander Sambuk. It was staged by John Cranko, Makarova, who arrived in Leningrad last week, will attend a film festival that includes a British entry, "Ballerina," in which she performs.

□

Edgar Bowers, a professor of English at the University of California at Santa Barbara, has been awarded the Bollingen Prize in Poetry at Yale University. The $10,000 prize is awarded every two years to a living American poet.

□

ABC News president Roone Arledge has confirmed that Diane Sawyer, a correspondent on "60 Minutes," will leave CBS News to become co-anchor of a new late prime-time news program on ABC. "Diane Sawyer is one of the premiere journalists in the industry," said Arledge. "Her record speaks eloquently." At ABC, Sawyer and Sam Donaldson, the former ABC chief White House correspondent, are to be the co-anchors of a program that the network has been planning since last fall. "I'm grateful for every moment I've had at '60 Minutes,' " Sawyer said, adding of her new job: "This is a very exciting new venture."

□

Actress Kathleen Turner and comedian Robin Williams have been named 1989 Man and Woman of the Year by Hasty Pudding Theatricals, the group of Harvard University students.

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FATHER, JESUS & SAINT JUDE, thank you for answering our prayers + showing us the right way at the same time. Please don't forsake us and heed our inner yearnings. D.C. and L.C.

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